

THE TIMES

Katie Stewart's game recipes for all occasions, page 6

Worker directors likely in shake-up at Post Office

Radical changes to the composition of the Post Office Corporation's board...

Inquiry on earnings

The royal commission on the distribution of wealth and income...

Tanaka 'No' to scrutiny

Kakuei Tanaka, the Japanese Prime Minister, said in Kyoto yesterday...

Levie chooses new men

His first selection of players for an international match, Donnie, the new England manager...

Ear grips Mozambique

Les quipped for visas outside South Africa consulate in return for Marques after a night of violence and bloodshed...

Idies: Mrs Williams plans to take it an offence for whole...

Violence: Joint police army 'task force' patrols introduced...

Ed States' President Ford 'na' realities on the Consl election campaign...

Other pages: Letters: from Lord Rotherhall and others on Labour's plans...

Leaders: page 13: Letters: from Lord Rotherhall and others on Labour's plans...

Obituaries: page 14: Dr Ingvar Andersson, Lady Melville, Mr Colin Golby.

Business News: page 15-20: Stock market: Tone continued nervous...

Financial Editor: Reaction to Commercial Union rights; Sears' profits fall; Unhappy timing at Tozer Kemsley...

Features: Suggested creation of an official banking institution to aid industry...

Business Diary: Mr Healey and the EEC; Accounting 'blue print'.

Table with 4 columns: Page, Section, Page, Section. Includes Science, Sport, TV & Radio, Theatres, etc.

o badly hurt bomb St James's

Bomb exploded at the head of the Royal Overseas League in Park Place, St James's, late last night...

irror' editor comes director

Anthony Miles, editor of the Mirror, is to become the new director of IPC news...

Palestine guerrillas taking tough line at Arab summit on recognition issue

From Edward Mortimer, Rabat, Oct 22. The conference of Arab Foreign Ministers opened here tonight with a strong statement from the delegate of the Palestine Liberation Organization...

Mr Peart wins deal for sugar below world prices

Britain is to receive supplies of relatively cheap sugar from the EEC during the coming months under an agreement reached in Luxembourg yesterday...

Germany agrees to subsidy

From David Cross, Luxembourg, Oct 22. After nearly 20 hours of arduous negotiations in Luxembourg, the British Government today accepted an EEC deal...

Thalidomide victims' tax relief probable

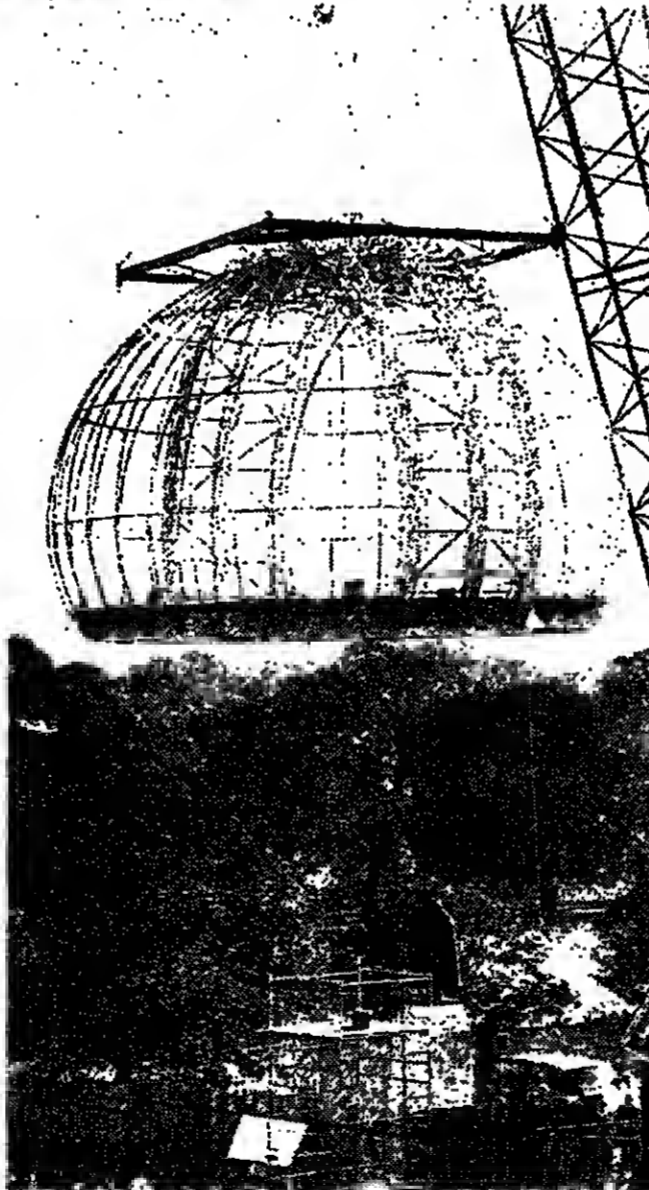
By Our Political Editor. Virtually all doubt about whether the thalidomide victims will now have to pay tax, in accordance with a Treasury ruling...

No backsliding over election promises Mr Wilson tells party

By George Clark, Political Correspondent. Mr Wilson, who was elected yesterday for his fourth year as leader of the Labour Party, told a meeting of the Parliamentary Labour Party...

Rhodesians imprison bank 'spy' for 14 years

From Our Correspondent, Salisbury, Oct 22. British-born Kenneth McIntosh, aged 35, a former Rhodesian banking official, was today sentenced to 14 years in jail and fined 30,000 Rhodesian dollars...



The skeleton of a new dome moving into position yesterday at the old Royal Observatory, Greenwich.

More lay-offs feared as strike grip tightens

From Ronald Faux, Glasgow. The threat of widespread unemployment and disruption continued to haunt over Scotland yesterday, with no end to any of the 24 separate unofficial strikes in sight...

Warning of winter coal crisis

By Our Labour Editor. A double threat to Britain's winter energy needs emerged last night, with signs of growing militancy among power station workers' leaders...

Radiation leak on newspaper delivery plane

By a Staff Reporter. All the British daily newspapers sent to Rome yesterday were withheld from distribution after a radioactive isotope being carried in the same aircraft broke...

Still the greatest French impressionist... ever

Advertisement for Monsieur Worth featuring a portrait of a man and text: 'Monsieur Worth - the exclusive range of toiletries modern men choose for grooming their way to the top...'.

Fourteen countries waiting for Dr Kissinger

From Patrick Brogan, Washington, Oct 22. Dr Kissinger is setting out on his travels again today. He will visit up to 14 countries, beginning with the Soviet Union and ending in the Middle East...

HOME NEWS

Police in Ulster reintroduce joint 'task-force' patrols with Army to curb rising sectarian violence

From Robert Fisk Belfast Faced with the frightening increase in sectarian warfare in Belfast, the police in Northern Ireland yesterday reintroduced a modified version of their joint RUC-military police 'task force' which was disbanded months ago...

Minister to attack food subsidy profiteering

By a Staff Reporter Plans to prevent shopkeepers from profiteering on all subsidized foods except milk have been sent to trade organizations by Mrs Williams, Secretary of State for Prices and Consumer Protection.

'Passion and urgency' appeal on housing

By Christopher Warman Local Government Correspondent Lord Goodman pleaded last night for a more passionate and urgent appeal to housing, which he described as a "bitter sore that disfigures our society"...

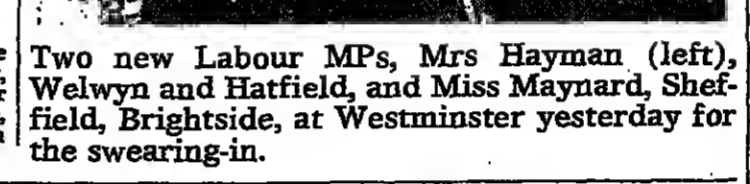
M62 bomb-trial girl tells of threats

Judith Ward, the girl accused of the M62 coach-bomb murders, said at her trial yesterday that she agreed to go to an airport presuming it was for "something illegal" to her family.

Asked why she believed she had been asked to go to the airport, she replied: "I presumed it was for something illegal." She was asked whether she had been asked to go to the airport, she replied: "I cannot say it did."

Body found

Firemen yesterday found the body of Mrs Elizabeth Scott, aged 70, in the rubble after her house in Booter Street, Belfast, had burnt down.



Two new Labour MPs, Mrs Hayman (left), Welwyn and Hatfield, and Miss Maynard, Sheffield, Brightside, at Westminster yesterday for the swearing-in.

Liberals to seek better hearing in the House

By Geoffrey Smith Political Staff Mr David Steel, the Liberal Chief Whip, is to seek discussions with the Speaker and the Leader of the House...

Nationalist MPs seek joint action link-up

By Our Political Correspondent Mr Gwynfor Evans, MP for Carmarthen and president of Plaid Cymru, said at Westminster yesterday that his party hoped to establish a working arrangement with the 11 Scottish National Party MPs...

Suburb warned of persistent thief aged 11

Residents of a city suburb were warned by a magistrate yesterday to secure their homes and be on a constant lookout for a persistent thief, aged 11.

Arson admitted by part-time firemen

Part-timers at a seaside fire station were criticised for their efficiency and were always in the scene when fire broke out. But yesterday the secret of their success was told...

Demonstration in support of British withdrawal from Ulster banned

By Christopher Walker The Department of the Environment announced last night that a request for a demonstration in Trafalgar Square on Sunday in support of withdrawing British troops from Northern Ireland has been refused.

Labour Government on Northern Ireland has been an abysmal failure and it has got to recognize that this is so, she added. "The new Labour Government has got to recognize that the extraordinary complacency on Northern Ireland and the falling back to a type separate, imperialistic rule has got to be ended."

Farmers call off port blockade of Irish cattle

Welsh farmers who had picketed the port of Holyhead for 24 hours to stop the movement of slaughter cattle imported from Ireland last night called off their unofficial action.

Mr Wilson seeks views on Budget priorities

Continued from page 1 virtually an enormous subsidy. That seemed a mild comment, compared with the strictures which Mr Atkinson and six other Labour left-wingers directed at the Government only a week ago.

Nine sentenced for part in conspiracy

Nine people were sentenced at Winchester Crown Court yesterday for their part in a conspiracy to defraud Marks and Spencer stores by stealing goods and taking them back later for cash refunds, as if they had been bought.

Weather forecast and recordings

NOON TODAY Pressure is shown in millibars. A deep depression is expected to move from the North Sea across the British Isles. Today Sun rises: 7.28 am, sets: 5.52 pm. Moon rises: 12.29 am, sets: 12.27 am tomorrow.

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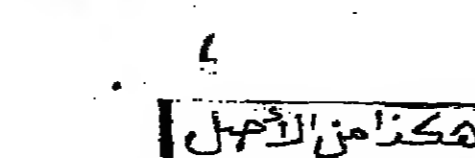
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HOME NEWS

Home Office and chief constables told by Police Federation to 'stay out of our private lives'

From Peter Evans Home Affairs Correspondent Scarborough Delegates at the annual conference of the Police Federation at Scarborough voted yesterday to challenge "an archaic disciplinary system" which, it was said, might jeopardize the career of a married policeman having an affair with another woman.

had had her boy friend to stay with her for the weekend. The job of an unhappily married policeman might be put in jeopardy if he had an association with a married woman in the same unfortunate circumstances, or if he was co-responsible in a divorce case.

Police Constable K. Vause, of West Yorkshire, referred to them as "naughty boys in blue who are not to be trusted, not allowed to take up outside employment."

'Z cars' town resents its TV image

From John Chartres Kirby, Merseyside Community leaders in Kirby, which has a population of 62,000, with a reputation created as a Liverpool overspill estate, are angry at its continuing public image as the "Newtown of the Z Cars television series."

Constabulary, which policed the area until local government re-organization. A teacher from one of the town's schools said that the continuing bad publicity was making it extremely difficult to recruit staff.

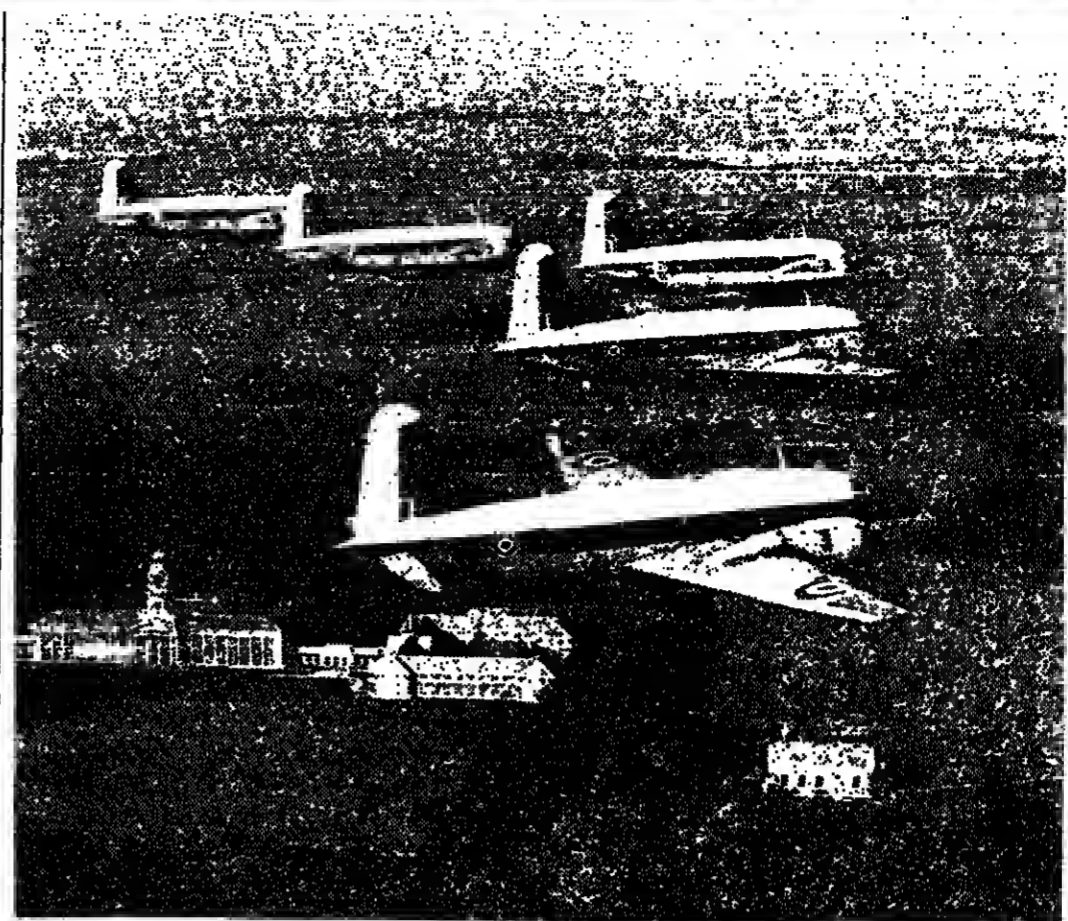
Mr Alan Pearson, community service officer for Knowsley Borough Council, who had criticized the advice publicly issued by the police about the conference, maintained that although Kirby had obvious social difficulties its levels of crime and vandalism were no higher than many other parts of Merseyside and the rest of the country.

Petitions for divorce up 8 pc on last year

Against all the predictions, divorce figures were showing a significant rise this year compared with 1973, Sir George Baker, President of the Family Division of the High Court, said yesterday.

The statistics for London up to October 12 showed that 13,425 divorce petitions had been lodged as against 12,600 during the same period last year, an increase of 8 per cent, which, if applied throughout the country, and London usually a reliable indicator, would mean more than 124,000 petitions would be lodged in 1974.

It had been expected that after the rush to get divorced brought about by the divorce law reforms that came into force in 1971 the numbers would be reduced.



Five Vickers Varsity training aircraft over the RAF college of Cranwell yesterday in a farewell salute. The aircraft is being withdrawn after 25 years of service.

Dairy chief predicts milk imports this year

By Hugh Clayton Agricultural Correspondent Liquid milk will have to be imported for the first time this year to meet Christmas demand for cream, Mr John Clement, of the Unigate company, predicted yesterday.

This is the largest dairy products company in Britain. It stopped producing butter because of the shortage of milk for manufacturing. The company's chairman, Mr John Clement, who is chairman of the foods division of Unigate, said that 18 months or two years ago it was believed that Britain could produce more than two thirds of the dairy products it needed.

British way of life 'not falling apart'

By a Staff Reporter The British way of life was under strain, and in places might be fraying at the edges, but it was not falling apart, Sir John Donaldson, former President of the defunct National Industrial Relations Court, said yesterday.

great power and influence, seemed to think they were entitled to pick and choose which laws to obey.

was presented in more than one way," he said. "The question: 'If so-and-so happens will you obey the law?' carries with it the implication that the responsible citizen has a choice."

The Lockheed L-1011 TriStar. The most comfortable jetliner in the world.



Register names MPs in public relations work

From Martio Huckerby A scheme for members of Parliament and local councillors to disclose their involvement in public relations consultancies is announced yesterday by the Public Relations Consultants' Association Ltd.

represents one particular client, that fact is also mentioned. More MPs carry out public relations work for individual organizations but those are not listed as they are not connected with consultancies, although their names would be available from the Institute of Public Relations if they were members of the institute.

In brief More seek Ulster courses

The New University of Ulster enrolled 643 students for first-year courses this year, compared with the average yearly total of 550 since the university was started in Coleraine in 1968.

Ex-detective for trial

A former London detective, Michael Arthur Hutchings, 34, described as an insurance broker, of Bromley Way, Sutton, Surrey, was at Bow Street Magistrates' Court yesterday committed for trial at the Central Criminal Court.

Real Ale takeover

The Campaign for Real Ale, a group that fights to preserve traditional draught beers, yesterday took over its first public house, the Old Fox in Stapleton Road, Bristol, which it bought at an auction last month for £17,500.

Pig-market curbs

Strict control of pig-market movements was imposed by the Ministry of Agriculture yesterday to Avoce, Devon, Dorset, Somerset and Wiltshire after six recent outbreaks of swine vesicular disease.

Bus dispute settled

Cardiff bus maintenance fitters resumed normal duty yesterday after their work-to-rule which put a third of the city's fleet off the road. They accepted an offer of £45 for a 40-hour week.

Trying to steal the Stone of Scone costs man £225

A man who attempted to steal the Stone of Scone from Westminster Abbey last month was additionally discharged for five years at Bow Street Magistrates' Court yesterday.

Mr Carmichael-Stewart said to be three-quarters Scottish, apologized for any damage he might have caused. A police superintendent said the defendant had been to public school and gained seven O levels and three A levels.

Relentless climber produces sports guide

Diana Geddes being disabled does not prevent her from taking part in exciting outdoor sports, as Mr man Croucher, who lost his legs after being run over a train, proved last month when he scaled the Matterhorn his two metal legs. Yesterday's Guide to Outdoor Pursuits for Disabled People was published by the Disabled Living Foundation.

people, including the blind, deaf and epileptic. One of its aims is to encourage the disabled to experiment with outdoor pursuits they had thought beyond their abilities.

a railway line just as a train was passing. At a reception to launch the guide in London yesterday, Dr Roger Bannister, chairman of the Sports Council, said that the gap between supply and demand for recreational facilities was too great for the able-bodied, but was even greater for the disabled, making them doubly handicapped.

Passengers say they've never flown in a plane as comfortable as the Lockheed L-1011 TriStar. From take-off to touchdown.

In flight, you feel as if you are relaxing in a spacious living room instead of a narrow tunnel. Graceful lines accentuate the eight-foot sculptured ceilings and straight-up-and-down walls. There's more elbow room, more leg room, more storage room. TriStar is roomy comfort.

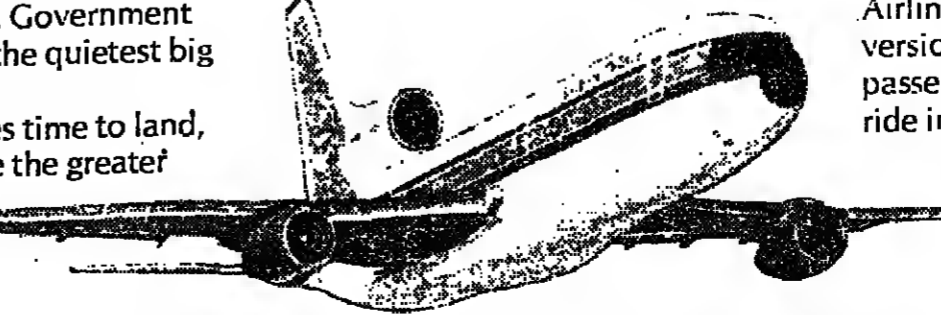
TriStar is also comfortable on the ears. The U.S. Government certificated it as the quietest big jet in the world.

When it comes time to land, passengers notice the greater

comfort of the TriStar in another way. It's the only plane with a direct lift control system that eliminates the disturbing ups and downs you feel on other planes as they make their landing approach.

Pilots say that TriStar responds quicker and surer to their touch, thanks to its unique "flying tail." And that's a comforting thought.

Six of the Free World's ten largest airlines have chosen TriStar comfort. And recently Cathay Pacific Airways and Saudi Arabian Airlines ordered longer range versions of TriStar. To give their passengers the most comfortable ride in the air.



Lockheed L-1011 TriStar

HOME NEWS

'Disastrous' if work on marina stops

From John Young Planning Reporter Brighton
The people of Brighton might feel they were very lucky to have a company strong enough to carry through a marina project in the present adverse financial conditions...

Mr Boydell was speaking on the opening day of the inquiry into plans for a marina which were submitted last January. They are being opposed on the ground that they differ substantially from both the original scheme approved after a previous inquiry in 1966 and from revised plans for which outline planning permission was granted in 1971.

The present inquiry was ordered by Mr Rippon, former Secretary of State for the Environment, in February a few hours before the plans were due to go before Brighton council. Work on the project so far has been confined to the harbour, which was both current and by Act of Parliament in 1970 and is due to open in 1977, and to some basic engineering works approved by the council in August.

Protests have mainly concerned the visual effect of the new scheme, the extra traffic it would generate, and the increased emphasis on supposedly profitable luxury housing. Mr Boydell said yesterday that it was quite impossible in the present economic circumstances to forecast whether the proposed 1,450 residential units would produce a profit.

Companies' incomes to be investigated

By David Wood Political Editor
Income from companies and its distribution are to be inquired into by the royal commission on the distribution of wealth and income...

Yesterday's terms of reference carry further the announcement of the Chancellor of the Exchequer on July 22 that he wanted to assemble facts for a comprehensive review of the existing control of dividends which he proposed to carry out in 1975.

Mr Foot, Secretary of State for Employment, through his department, has asked the commission to devise a specific report on income from companies and its distribution by the early summer of next year.

Wherever it considers appropriate, the commission has been asked to give the information in terms of both current and constant prices and to show the effects of taxation.

The commission's report will deal with three broad issues: 1. The pattern of distribution of ownership of the capital of income arising from it between United Kingdom pension funds, life insurance funds, other institutions, companies, individuals living in the United Kingdom, and overseas recipients...

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Call to raise family allowance to £3.20

By Pat Healy Social Services Correspondent
Family allowances must be raised to £3.20 a child, including the first in the November Budget if poor families are to maintain their living standards...

The group will argue that if poor families are to be able to stand still, the increase must be accompanied by changes to ensure that they do not lose such benefits as greater tax liability or reduction in other welfare allowances.

Mr Healey is expected to announce an increase in family allowances from the present 90p for the second child and £1 for all subsequent children to a figure below £2 a week for all eligible children.

Mr Frank Field, director of the group, said yesterday that £3.20 a child a week would compensate for inflation since the allowances were last raised in 1968.

The tax threshold would also have to be raised, free school meals introduced for all children and an allowance given to mothers at home with young children.

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Mr Foot's contempt costs only half what he thought

Mr Paul Foot and the left-wing Socialist, Henry James, who is his assistant editor, heard yesterday that the bill of costs for the contempt of court case in which they were involved is likely to be about half the original estimate...

Mr Foot, aged 35, son of Lord Caradon and a nephew of Mr Michael Foot, Secretary of State for Employment, said after the case last week that it was estimated unofficially that the costs, all of which he and the publishers, Socialist Worker Printers and Publishers Ltd, would be some £7,500.

The case against Mr Foot and the publishers was for revealing the identities of Mr Y and Mr Z in the Janie Jones trial.

The Attorney General worked out his costs yesterday at £1,399.51.

Mr Foot said: "In quadruple proceedings, which these were, we should not have to pay the other side's costs. Our own costs are likely to be heavier, because we were two parties, and we had to get a good deal of evidence out of the transcript of the Janie Jones trial, which cost us £500."

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WEST EUROPE



Mr Fred Peart, Britain's Minister of Agriculture (centre) and Mr Mark Clinton of Ireland (left), listening to a point made by their Danish colleague, Mr Niels Kofoed, in Luxembourg yesterday.

Bishops reject draft of final statement

From Peter Nichols Rome, Oct 22
The Vatican's international synod of bishops today indicated its fundamental difficulties with eloquence, rejecting three-quarters of the draft document intended to sum up its three weeks of work.

The drafting committee agreed immediately to return to its task at the end of the plenary session, which had dealt so cavalierly with its proposals. Apparently the principal objection is that the draft does not make enough specific suggestions about the church's problems in the field of evangelization, which is the synod's subject for discussion.

The introduction to the draft, which amounts to a series of doctrinal definitions about evangelization, was approved by 143 votes to 47. The second part, devoted to evangelization and human development, was rejected by 95 to 82; the third, on the categories of people on whom the church should concentrate its evangelizing activities, was rejected by 124 to 65; and the fourth, dealing with tasks and responsibilities, including those of bishops, laymen and local churches, was rejected by 107 to 82.

Way out of Italian crisis seems in sight

Rome, Oct 22.—A compromise solution to Italy's government crisis appeared in the offing tonight as Senator Fanfani, the Prime Minister designate, prepared to hold decisive talks with the prospective partners in a coalition.

Earlier pessimism about his chances of getting the four parties to agree on a common platform gave way to a brighter mood after he had made what was seen as an important conciliatory move yesterday.

The two main parties involved, Senator Fanfani's Christian Democrats and the Socialists, until then appeared to be on a collision course over their respective demands. But a letter from Senator Fanfani, in answer to a 10-point manifesto by the Socialists, appeared to go a long way to meeting their demands, leaving the Government's relations with the unions as the only important issue outstanding.

Typhoid cases in W Germany now total 22

From Our Own Correspondent Bonn, Oct 22
Eleven more cases of typhoid were reported today to health officials in the West German state of Baden-Wuerttemberg, bringing the confirmed total to 22.

The authorities fear that the figure will rise in the next few days when tests on further suspected cases, including a family of three, are completed.

Of the cases so far recorded, 19 are in Heidelberg and three in Stuttgart. Doctors believe that those so far admitted to isolation hospitals picked up the infection, described as a severe version of the disease, about the end of September.

'Jesus Trial' priest denies anti-semitism charge

From Charles Hargrove Paris, Oct 22
The Abbé Georges de Nantes, the defendant in the libel action brought by Me Jacques Isorni, the celebrated counsel, today upheld his thesis of the responsibility of the Jews for the death of Christ at the hearing before the civil court of Troyes.

A fortnight ago, Me Isorni had maintained that the Romans were guilty of the crime, not the Jews, who thought they were trying an impostor, not the Son of God.

Two hours, the Abbé de Nantes eloquently defended his thesis, with quotations from the Scriptures, designed to demonstrate the weaknesses and errors of Me Isorni's book, The Real Trial of Jesus, which was the subject of the libel action.

Mr Trudeau puts emphasis on economic link with Paris

From Our Own Correspondent Paris, Oct 22
Mr Pierre Trudeau, the Canadian Prime Minister, put the emphasis on growing economic collaboration between his country and France as he went today for a second talk with President Giscard d'Estaing at the Elysee Palace.

This followed glowing dinner speeches last night at the end of the first day of the Canadian Prime Minister's visit when both he and the French President agreed that the difficult chapter opened in 1967, when General de Gaulle cried "Vive le Québec libre", had been finally closed.

Mr Trudeau, who also saw M Jacques Chirac, the French Prime Minister, for the second time this morning, told reporters afterwards there were now good prospects of closer relations for Canada and France.

French majority is 'regrouping'

From Charles Hargrove Paris, Oct 22
When some sections of the Opposition tried to create an atmosphere of political crisis they were resounding in terms of the wrong republic, M Michel Poniatowski, the Minister of the Interior, told a luncheon of the Anglo-American press today.

"The Government's action is based on time and continuity," the Government was one of last, he said, "a government of the Fourth Republic."

"In this long-term action, there will be difficult moments. France is faced with an energy crisis and with inflation in three or four years the energy problem will be mastered. But we have a control on inflation. One cannot conduct policy in terms of opinion polls or of the changing moods of the country."

Thrifty year ahead for Austria

Vienna, Oct 22.—Dr Haimes Androsch, the Austrian Finance Minister, today announced an economy budget for 1975 but said there would be no policies that would lead to unemployment.

His budget, he told Parliament, was aimed at continuing the stabilisation policy of the socialist Government which faces a new parliamentary election in the next 12 months.

While giving priority to the stabilisation policy, he said the Government ruled out any anti-inflation measures that would lead to unemployment. But he gave warning that wage demands which have to be held back if the inflation rate is to be held under 10 per cent next year.

The budget deficit for 1975 was put at 16,300m schillings (€379m), against this year's anticipated deficit of 12,200m, the increase being largely due to scheduled tax cuts totalling 12,900m schillings.

State expenditure next year would be 184,400m schillings and revenues 168,100m schillings, the minister said. This compares with provisional figures for this year of 185,900m schillings and 158,700m schillings respectively.

PARLIAMENT, October 22, 1974

Mr Lloyd elected to third term as Speaker

(Huddersfield, East, Lab.) moving that Mr Selwyn Lloyd take the Chair as Speaker of the House, said that modern parliaments had been a good deal more orderly than were their predecessors before the First World War.

Some people said that the House of Commons had no longer the standing and authority it used to have. People had been saying that for the last 50 years. To the extent that they had surrendered some of their sovereignty by entering the Common Market, it was true.

Mr Lloyd had presided with success and distinction in the difficult conditions of a broad-based Parliament. He was in every way fitted to fill this great office and maintain the high traditions. (Cheers)

MR SELWYN LLOYD (WIRRAL) said it was the second time this year he had been elected Speaker. Whatever the difficulties in the future they had shown their complete confidence and trust in him.

MR HAROLD WILSON, Prime Minister (Hutton, Lab.), after Mr Lloyd had taken the Chair, said it was an agreeable duty and privilege to offer on behalf of Labour many congratulations on your election.

MR HEATH (Bexley, Sloup, C) said that the third occasion on which Mr Lloyd had been elected Speaker was a happy one for him and the House of Commons.

MR DOUGLAS HENDERSON (Aberdeenshire, East, Scot Nat) said his party also welcomed Mr Lloyd's reelection. His tolerance, kindness, and courtesy had been shown to members of the Scottish National Party in the previous Parliament.

House adjourned, 3.29 pm. The House of Lords met for the 520th time.

Security checks 'necessary' for MPs' cars
By Our Political Staff
Thorough searches of MPs' cars entering the precincts of the House of Commons are going to be necessary, according to a House of Commons report published yesterday.

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Advertisement for the Royal Navy. Text: 'If you've got yourself a place at university, you could get yourself a place in the Royal Navy. Every year the Royal Navy pays a number of selected students £1,589 a year to attend university. To qualify you must have, among other things, a place on a full-time degree course. For all the details of this, and the many other opportunities open to intelligent young men in today's Royal Navy, clip the coupon. It could bring you £1,589 in return. Captain WR. Canning, RN, Officer Entry Section, (9CWS), Old Admiralty Building, Spring Gardens, London SW1A 2BE. Name Address Date of Birth Please send me further information about commissions in the Royal Navy/Royal Marines with special reference to the University Cadetships. My present or expected qualifications are: A degree in _____ graduating in 197. A minimum of 2 A levels (or equivalent) A minimum of 5 O levels (or equivalent) (Note: For a full career commission you must have a minimum of 2 A levels.)

Handwritten Arabic text at the bottom right of the page.

OVERSEAS

Whites in Mozambique queue for visas for South Africa after night of violence in which 49 died

Portuguese and African nationalists... Whites in Mozambique queue for visas for South Africa after night of violence in which 49 died

They had been demobilized and were waiting for repatriation to Portugal... Whites in Mozambique queue for visas for South Africa after night of violence in which 49 died

Portuguese and Frelimo troops, linked once again in a peacekeeping role... Whites in Mozambique queue for visas for South Africa after night of violence in which 49 died

Gold miners ask to be sent home to Malawi

From Our Own Correspondent... Gold miners ask to be sent home to Malawi

Pledge to Palestinians by French minister

Amman, Oct 22.—M Jean Sauvagnargues today said that the Middle East dispute should be solved in stages and politically... Pledge to Palestinians by French minister

One refugee leader, Mr Ismail Muhammad Ismail, said that justice could not be achieved unless the rights of the Palestine people were restored... Pledge to Palestinians by French minister

Signed and Delivered

Christie's Contemporary Art... Signed and Delivered

New Zealand hint of Secrets Act revision

From Our Correspondent... New Zealand hint of Secrets Act revision

South Vietnam Air Force feels US cuts

Saigon, Oct 22.—The United States will reduce the number of its technical staff helping the South Vietnamese Air Force... South Vietnam Air Force feels US cuts

Author keeps up hunger strike

Vladimir Moroz, the imprisoned Ukrainian author and historian, is reported to be keeping up the hunger strike he began on July 1... Author keeps up hunger strike

Greek Cypriots stage protests

Nicosia, Oct 22... Greek Cypriots stage protests

Author keeps up hunger strike

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President Ford being showered with rose petals as he walks in his shirt sleeves through the streets of Magdalena, Mexico, with President Echeverria. Mr Ford was given a rapturous welcome by crowds when he arrived for official talks.

Mr Ford down to earth after Mexican rapture

From Patrick Brogan... Mr Ford down to earth after Mexican rapture

chored by ecstatic Mexicans, and waving from a balcony in his shirt sleeves... Mr Ford down to earth after Mexican rapture

tel which is for ever driving the price up... Mr Ford down to earth after Mexican rapture

in an interview broadcast here this evening, that from the Cuban point of view... Mr Ford down to earth after Mexican rapture

New trial sought over Dr King killing

Memphis, Tennessee, Oct 22.—James Earl Ray looked on without emotion as his lawyer fought today to win his freedom with a declaration that Mr Ray was wounded and badgered into pleading guilty to killing Dr Martin Luther King on April 4, 1968... New trial sought over Dr King killing

yielded and on March 10, 1969, admitted to firing the rifle shot that killed Dr King... New trial sought over Dr King killing

had been a victim of illegal acts by public officials in that he had been denied the right of counsel, his mail had been opened by the authorities and evidence that bore on his innocence had been withheld from him... New trial sought over Dr King killing

Amin backing for sport

Kampala, Oct 22.—Uganda is to have a commissioner for sports to ensure the efficient running of sport in the country, President Idi Amin has announced... Amin backing for sport

Author keeps up hunger strike

Vladimir Moroz, the imprisoned Ukrainian author and historian, is reported to be keeping up the hunger strike he began on July 1... Author keeps up hunger strike

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Tape tells of Nixon Watergate despair

From Fred Emery... Tape tells of Nixon Watergate despair

It depicted the former President almost desperately trying to have Mr John Dean, who he then knew had gone to the prosecutors, say for the record that although all his senior staff might have to be jettisoned he, the President, was in the clear... Tape tells of Nixon Watergate despair

Repeated hearing of the tapes makes it clear why the broadcast networks are talking of bringing a suit to have them released for public performance... Tape tells of Nixon Watergate despair

THE PEARL APPROACH for the young Adult

Advertisement for Pearl Assurance featuring four circular portraits of people: 'the career girl', 'the budding tycoon', 'the junior executive', and 'the young family'. The text says 'GET somewhere with the POUNDS that go nowhere!' and 'Face the future with PEARL assurance'.

Form for Pearl Assurance with fields for Name, Address, and Date of Birth. It includes the text: 'Whatever today's aspirations for tomorrow may be, money will be needed. With premiums from as little as a pound a week...' and 'Fill in and forward the Enquiry form TODAY'.

Face the future with PEARL assurance

OVERSEAS

Mr Tanaka objects to US style scrutiny of politician's private life

From Peter Hazelhurst Tokyo, Oct 22

Confronted with allegations that he had amassed a huge fortune during his political career, Mr Keiichi Tanaka, the Japanese Prime Minister, said in Tokyo today that he did not believe that the personal lives of high Government officials in Japan, and particularly prime ministers, should be subjected to the scrutiny of the public as in the United States...

Australian 'admitted working for China'

Sydney, Oct 22—Mr Wilfred Burchett, an Australian-born journalist, told Mr Yuri Krotkov, a former Soviet secret police agent, that he had engaged in communist intelligence work, it was claimed in the Supreme Court here today.

The evidence was taken on a commission in Washington last April from Mr Krotkov, also known as George Kerlan, who defected to the United States after the war. He was submitted by the defence in a libel suit brought by Mr Burchett, who is 63 and now lives in Paris, against former Senator Jack Kane for alleged defamation in a Democratic Labour Party publication, Focus, in November, 1971.

The hearing was adjourned until tomorrow.—Reuters

Katie Stewart Game for all occasions



David Frankland

All game, furred and feathered, in season by October—some compensation perhaps for the approach of winter. Wild duck and pheasant are in the shops now although pheasant is most plentiful from November. These, with venison and hare, are the game cooks can ring the changes with. They can be braised, or made into pâtés and casseroles.

- 1 hare, skinned and cut in pieces; Vinegar, see recipe; 1 onion; 2 carrots; 1 small clove garlic; 1 bay leaf; Salt and few peppercorns; Water, see recipe; 6 oz butter; Grated rind of 1/2 lemon; Freshly milled pepper; Pinch ground nutmeg; 1-2 tablespoons dry sherry.

Wipe the pieces of hare with a damp cloth and place in a large basin. Add cold water about 1/2 pint vinegar to cover the pieces. Leave for several hours or overnight during which time the vinegar draws the blood and makes the meat less rich. Drain and pat the pieces dry.

- 1 pint duck stock, see recipe; 2 oz butter; 1 oz flour; 1 tablespoon mushroom ketchup; 3-4 tablespoons sherry or port; Salt and freshly milled pepper; Dash lemon juice; 6-8 stoned green olives.

Put the duck gizzards on for stock in about 1/2 pints water with sliced carrot and the celery. Bring to the boil and simmer gently for about 30 minutes.

Wipe the ducks which should be trussed as for roasting. Place two trimmed hacon rashers over the breast of each bird. Set the birds in a roasting tin on a bed of vegetables made using the remaining onion and carrot thickly sliced. Add the rosemary or bay leaf for flavouring. Strain the stock through a fine sieve and pour over the ducks. Roast for 30 minutes until the mixture is reduced by about one third.

Strain off all the fat from the roasting tin, but keep the flavouring vegetables, hacon and any crispy brown bits. Pour in a generous 1 pint of the duck stock and any juices from the carviog stick. Stir over gentle heat to dissolve the brown bits, then leave to simmer until the mixture is reduced by about one third.

Melt the butter in a saucpan and stir in the flour. Cook gently, stirring occasionally, until nutty brown colour. Draw the pan off the heat. Strain the reduced duck liquor from the roasting tin. Stir until boiling. Then add the mushroom ketchup, the sherry or port, seasoning to taste, and add a dash of lemon juice if liked. Bring back to the boil and then pour the sauce over the duck portions. Cover and replace the casserole in a moderate oven (350°F, or gas No 4) to cook for a further 30 minutes.

Wild duck with olives. A casserole of game has advanced from the days of serving. All the messy carving and cutting up can be done in advance and out of sight.

Serves 4

- 2 wild duck; 2 onions; 2 carrots; 1 stalk celery; Small sprig rosemary or bay leaf; 4 rashers hacon;

Scatter the stoned green olives over the top and allow to heat through for a couple of minutes before serving.

Pheasant soup. A soup makes good use of the carcass left over from a roast bird. Use those of pheasant, grouse or wild duck, although soup made from the latter may need extra skimming to remove any fat.

- Serves 6

- 3-4 rashers bacon; 4oz lamb's liver; 2oz butter; 2 pheasant carcasses; 4 pints chicken stock; 1 pint dry white wine; Salt and freshly milled pepper; Pinch ground mace; Bouquet garni; 1oz butter; 1oz flour; 2 tablespoons dry sherry.

Dice the bacon, trim and cut up the liver. Melt the butter in a large sized saucpan and lightly fry the bacon and liver. Add the pheasant carcasses and then pour in the stock and wine. Season with salt and pepper, add the mace and bouquet garni. Bring to the boil and skim. Cover with a lid and simmer gently for 2 hours to make a good flavoured game stock.

Strain the stock and return to the pan. Pass the bits of meat, taken from the carcass, and the bacon and the liver through a vegetable mill or purée in a blender. Add the purée to the game stock and set over the heat. Blend the butter and flour to make a heavy mizze and add in pieces to the pan. Stir to blend and bring up to the boil stirring until the soup has thickened evenly. Taste for seasoning, then add sherry and serve.

Ronald Irving

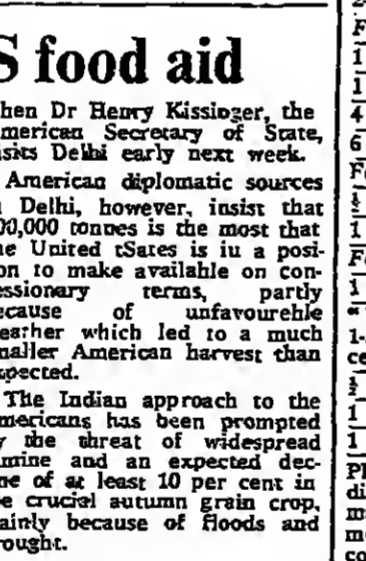
Hissing in court as woman is jailed for murder

Monterey, California, Oct 22—A woman who killed the companion of a man she claimed had raped her was sentenced to five years in life in prison today for second degree murder.

The prosecution alleged during the trial of Mrs Inez Garcia, aged 30, that she had taken place, and that she had shot Mr Miguel Jimenez on March 19 at Soledad in a quarrel over narcotics.

The defence contended that Mrs Garcia had been defoeiding her virtue and was under great emotional strain when the shooting occurred.

New signs outside Chemical Bank branches in New York, are automatically lit from inside.



When Dr Henry Kissinger, the American Secretary of State, visits Delhi early next week, American diplomatic sources in Delhi, however, insist that 500,000 tonnes is the most that the United States is in a position to make available on a long-term basis.

Indian plea for renewal of US food aid

From Michael Hornsby Delhi, Oct 22

India would welcome a resumption of American food aid on easy repayment terms and "without strings", Mr T. N. Kaul, the Indian Ambassador to the United States, told foreign journalists at a luncheon in Delhi today.

Mr Kaul said that the United States was "aware of India's requirements" but he declined to say how much grain India had asked for.

The Indian approach to the Americans has been prompted by the threat of widespread famine and an expected decline of at least 10 per cent in the crucial autumn grain crop, mainly because of floods and drought.

Court orders wealthy poacher to tend wild life

San Francisco, Oct 22—George Gambie, a soap and detergent manufacturer's heir, has been fined a total of \$10,500 (£4,000) and ordered to devote a day a week to wild life conservancy for a year after being convicted of transporting illegally killed game.

Mr Bhutto drops finance minister in big reshuffle

From Our Correspondent Rawalpindi, Oct 22

Mr Bhutto, the Pakistan Prime Minister, today announced an extensive reshuffle of his Cabinet in which he dropped Dr Mubashar Hasan, the Minister for Finance and Economic Affairs.

Time and the law on the side of the customer

order, without a delivery date being promised, are still entitled to expect delivery within a reasonable time. Once a man has placed an order, it is up to the supplier to notify him when delivery will be made. If this is not prompt enough for his requirements, he can cancel his order. However, by pressing for delivery after a delay the consumer will be taken to have accepted the delay.

Headlines can cut both ways. A housewife may get several estimates to install a new kitchen. After months of delay she cannot write in to the contractor with one. Once a man has placed an order, it is up to the supplier to notify him when delivery will be made.

Tanzania moves capital inland

Dodoma, Tanzania, Oct 22—Tanzania's National Assembly today met for the first time in this inland town which has been designated the nation's new capital instead of Dar es Salaam.—Reuters.

Guatemala's crop of new volcanoes

Guatemala, Oct 22—A new hill rising west of here is thought by experts to be another volcano, and likely to erupt as three others did last week. Ash from these new volcanoes is lying inches deep in the streets of Quetzaltenango.

OPERA AND BALLET

COVENT GARDEN THE ROYAL BALLET 7.30 1911 THE ROYAL OPERA 7.30 1911 THE ROYAL NATIONAL OPERA 7.30 1911

CONCERTS

ROYAL FESTIVAL HALL 10.30 1911 THE ROYAL FESTIVAL HALL 10.30 1911

SNAPE MALTINGS

OCT 27: DRODALL CANDIDATES... SNAPE MALTINGS... THE ROYAL FESTIVAL HALL 10.30 1911

THEATRES

ALBERT 7.30 1911 THEATRE... THE ROYAL NATIONAL OPERA... THE ROYAL OPERA... THE ROYAL BALLET... THE ROYAL FESTIVAL HALL... THE ROYAL NATIONAL OPERA... THE ROYAL OPERA... THE ROYAL BALLET... THE ROYAL FESTIVAL HALL...

TIME Europe's emerging Women's Lib movement... Wilson veers right... election aftermath... Drop in oil prices... secret US report... Dissent in the Vatican... Zaire: impressive social and economic progress... This week in Time on sale now

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ENTERTAINMENTS

When mentioning use prefix 01 only outside London Metropolitan Area

ALSO ON PAGE 6

THEATRES THE NATIONAL THEATRE 1954-70... THE GINGERBREAD LADY... THE GANYMEDE... THE FESTIVAL OF THE GAY... THE GREAT CAPER... THE HUSBANDS... THE TAMING OF THE SHREW... THE GINGERBREAD LADY... THE GANYMEDE... THE FESTIVAL OF THE GAY... THE GREAT CAPER... THE HUSBANDS... THE TAMING OF THE SHREW...

CINEMAS ABC 1 & 2... ACADAMY ONE... ALEXANDRIA... THE GREAT CAPER... THE HUSBANDS... THE TAMING OF THE SHREW...

ART EXHIBITIONS

GALLERY EDWARD HARVANE... FISHIER FINE ART... FRY GALLERY... AARON EDWIN PENLEY... PURNEAU GALLERY... GALLERY 21... GALLERY 22... GALLERY 23... GALLERY 24... GALLERY 25... GALLERY 26... GALLERY 27... GALLERY 28... GALLERY 29... GALLERY 30... GALLERY 31... GALLERY 32... GALLERY 33... GALLERY 34... GALLERY 35... GALLERY 36... GALLERY 37... GALLERY 38... GALLERY 39... GALLERY 40... GALLERY 41... GALLERY 42... GALLERY 43... GALLERY 44... GALLERY 45... GALLERY 46... GALLERY 47... GALLERY 48... GALLERY 49... GALLERY 50... GALLERY 51... GALLERY 52... GALLERY 53... GALLERY 54... GALLERY 55... GALLERY 56... GALLERY 57... GALLERY 58... GALLERY 59... GALLERY 60... GALLERY 61... GALLERY 62... GALLERY 63... GALLERY 64... GALLERY 65... GALLERY 66... GALLERY 67... GALLERY 68... GALLERY 69... GALLERY 70... GALLERY 71... GALLERY 72... GALLERY 73... GALLERY 74... GALLERY 75... GALLERY 76... GALLERY 77... GALLERY 78... GALLERY 79... GALLERY 80... GALLERY 81... GALLERY 82... GALLERY 83... GALLERY 84... GALLERY 85... GALLERY 86... GALLERY 87... GALLERY 88... GALLERY 89... GALLERY 90... GALLERY 91... GALLERY 92... GALLERY 93... GALLERY 94... GALLERY 95... GALLERY 96... GALLERY 97... GALLERY 98... GALLERY 99... GALLERY 100...

THE ARTS



"Angels of the Rosary", by Alessandro Turchi, and, right, "Massacre of the Innocents", by Pasquale Ottino

Two generations of distinguished Veronese painters

Pisolo Caliari is undeniably the greatest painter to have been born in Verona... He is normally known as perfectly justified, even though he spent most of his working life in Venice... The figures of the Archangel Michael whose delicate features, exaggerated musculature and theatrical pose would seem more appropriate to a courtly pageant in Brusaoro's later works...

strates how far the painter had already moved away from his master's early style to the direction of Bolognese classicism... The softness of the surface modelling is underpinned by a firm sense of structure and accompanied by a range of clear fresh colours... The inauguration of the chapel may be taken as the official launching of the new classical style in Verona...

Jeffery Daniels

Creatures of fiction

Jennie, Lady Randolph Churchill Thames... Leonard Buckley... Enter Churchill's mother at a center. Our opening glimpse last night of Jennie Jerome on horseback showed us the spirit that Lee Remick would bring to her characterization of the American girl who married Lord Randolph...

Deeply pondered Bach

Rostropovich St John's, Smith Square Radio 3... Alan Blyth... Royal Ballet Covent Garden... John Percival... Stephen Walsh... Vesuvius Ensemble Queen Elizabeth Hall... The Rialto Prom Almost-Free... Irving Wardle... The National Theatre at the Old Vic... Spring Awakening... Tomorrow Evening at 8.30 P.M. Personal Appearance of Brnokenty Smoktowskiy...

RICHARD GREEN Annual Exhibition of Sporting Paintings... TOMORROW EVENING at 8.30 P.M. PERSONAL APPEARANCE of BRNOKENTY SMOKTOWSKIY At the British Premiere showing of the film UNGLE VANYA (A) Paris Pullman...

THE NATIONAL THEATRE at the Old Vic... 'A PLAY NO ONE SHOULD MISS'... Spring Awakening... Tomorrow Evening at 8.30 P.M. Personal Appearance of Brnokenty Smoktowskiy...

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SPORT

IOC Congress

Los Angeles make a last appeal on basis of freedom

From Joby Heodessy
Vienna, Oct 22

The choice for the city to hold the 1980 Olympic Games will be announced in the town hall here tomorrow morning. If the popular (if that is the word) choice is Moscow, it is clear at a press conference today that the Los Angeles delegation had done their best to put a democratic boot in. They stressed, among other virtues, the fact that there was a guarantee of freedom of movement without any reservations (these three words were underlined in the official appeal for freedom for you gentlemen to write what you want).

Mr Tom Bradley, the black mayor of Los Angeles, thanked the members of the International Olympic Committee (IOC) would not be satisfied with a situation whereby this freedom existed only for two or three weeks.

When I asked if the IOC should be concerned about what happens before and after an Olympic Games, two answers came from the platform. Mr Bradley said that the IOC should be concerned about what happens before and after an Olympic Games, two answers came from the platform. Mr Bradley said that the IOC should be concerned about what happens before and after an Olympic Games, two answers came from the platform.

Mr Bradley went further in his comparisons. In his address to the IOC he promised that Los Angeles would protect all athletes, officials and spectators from harm or harassment by political demonstrators. This was a promise that he said, measures on our own people. Was he not hitting just a little below the belt?

Boxing 'Hardest hitting coward' is ready for Muhammad Ali

Kinshasa, Oct 22.—George Foreman, the world heavyweight boxing champion, today admitted he felt a certain amount of fear as his title defence here on the night of October 29-30 approached. He added that challenger Muhammad Ali had more scared him than any other boxer he had ever fought.

Tennis Miss Evert top money winner on US circuit

New York, Oct 21.—Christine Evert, who was beaten by Evonne Cawley, of Australia, to last week's Virginia Slims tournament, still finished the 1974 United States women's tennis circuit as the leading money winner.

Cricket Pakistan want new ICC constitution

Lahore, Oct 22.—Pakistan will try to introduce a new constitution for the International Cricket Conference which would abolish the veto rights presently held by England and Australia.

Hockey Overseas tours a difficult time for the players

By Sydney Friskin
Now that the domestic hockey season is under way, it has come to review the international scene. In about a month's time the England World Cup Party will begin another training weekend at Royal Air Force Station, Hemlow, in preparation for the third tournament in the series.

It needed someone to do something about 1977, and someone has to be played for in Belgium. This will serve as a qualifier for future World Cup tournaments. The sequence of events continues with the European Cup in West Germany in 1978 and that will be followed by another World Cup in 1979.

Today's hockey
LONDON LEAGUE: London University, Southampton, Reading, Oxford University, Cambridge, Bath, Exeter, Bristol, Cardiff, Newcastle, Nottingham, London, London, London.

Racing Waiwyn's hopes of training title rest on No Alimony in Gold Cup

By Michael Phillips
Racing Correspondent

There were 14 acceptors at the four-day forfeit stage for the Observer Gold Cup, which could decide the leading trainer for this year. Peter Waiwyn in this unassailable position so far as the number of races won is concerned, but he is still 25,384 behind Dick Hern in the total prize money.

The odds seem to favour Waiwyn, whose hope on Saturday, No Alimony, is the ante-post favourite. Hills will still go for 9-4 on Friday in spite of heavy support, but Ladbrokes had clipped the odds to 2-1 by midday. After being beaten by Grundy, his talented stable companion in the Grand National at Ascot in July, No Alimony won his next two races easily.

Palace and William Pitt are firmly entrenched as favourites at 6-1 with Ladbrokes and 7-1 with Hill. Ribson, who has not run since he finished third in the St Leger, comes next in the betting, at 10-1. The third and last day of Newbury's mixed meeting features the Hermitage Steeplechase, the Ladbrokes Nursery and the St Simon's Stakes.

Sandown Park programme

Table with 2 columns: Race Name, Odds. Includes 2.0 GRANBY PLATE (2-y-o: £483: 7f) and 2.30 DORKING PLATE (2-y-o: £483: 1m).

2.30 DORKING PLATE (2-y-o: £483: 1m)

Table with 2 columns: Race Name, Odds. Includes 3.0 TRAFALGAR HANDICAP (1905: 1m 2f) and 3.30 SHOTT NURSERY HANDICAP (2-y-o: £828: 5f).

3.0 TRAFALGAR HANDICAP (1905: 1m 2f)

Table with 2 columns: Race Name, Odds. Includes 4.0 MORE LANE HANDICAP (3-y-o: £967: 7f) and 4.30 FINAL STAKES (1865: 1m 6f).

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Table with 2 columns: Race Name, Odds. Includes 4.30 FINAL STAKES (1865: 1m 6f) and 5.0 NOVICES' HURDLE (Div 1: Part 1: £340: 2m 200yd).

5.0 NOVICES' HURDLE (Div 1: Part 1: £340: 2m 200yd)

Table with 2 columns: Race Name, Odds. Includes 5.30 STUDD CUP (Handicap Steeplechase: £723: 2m) and 5.55 HANDICAP HURDLE (512: 2m).

Cheltenham NH programme

Table with 2 columns: Race Name, Odds. Includes 1.30 NOVICES' HURDLE (Div 1: Part 1: £340: 2m 200yd) and 2.0 NOVICES' HURDLE (Div 1: Part 2: £340: 2m 200yd).

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Table with 2 columns: Race Name, Odds. Includes 2.30 STUDD CUP (Handicap Steeplechase: £723: 2m) and 3.5 HANDICAP HURDLE (512: 2m).

Jarvis and Raymond continue run

By Michael Seely

Double Dart last time out and was winning for the third time this year. The colt belongs to Mrs Andrew Norman and was bred by her husband, a well-known amateur.

This is the 41st winner that Jarvis has saddled for David Robinson in the millenary's last season with two public trainers. His other trainer, Paul Davy, had 42 winners which together with the two that Jarvis has saddled amount to 100 winners.

Raymond rode his second winner of the afternoon when Sweet Reclaim won the Wymerwood Nursery Handicap Plate. Sweet Reclaim had been runner-up in a similar event at Nottingham in

Piggott narrows gap with a double

While Pat Eddery drew a blank, Lester Piggott reopened the race for the jockeys' side by nocking a Sandown double via Cretown and Sky Messenger today. Piggott, who only four weeks ago was championly odds slashed by Ladbrokes from 8-1 to 2-1, with Eddery as 5-2 on.

Redcar programme

Table with 2 columns: Race Name, Odds. Includes 2.15 RELEGATION HANDICAP (3-y-o: £414: 11m) and 2.45 SECOND DIVISION CHAMPIONSHIP STAKES (3-y-o: £93: 1m 6f 160yd).

3.15 JACK CHARLTON HANDICAP (1924: 6f)

Table with 2 columns: Race Name, Odds. Includes 3.45 HAROLD SHEPHERDSON PLATE (2-y-o: £380: 1m) and 4.15 PROMOTION HANDICAP (2-y-o: £738: 6f).

4.15 PROMOTION HANDICAP (2-y-o: £738: 6f)

Table with 2 columns: Race Name, Odds. Includes 4.45 AYRESOME PARK PLATE (2-y-o fillies: £380: 7f) and 5.00 WOODBURY HANDICAP (1905: 1m 2f).

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Table with 2 columns: Race Name, Odds. Includes 5.30 STUDD CUP (Handicap Steeplechase: £723: 2m) and 5.55 HANDICAP HURDLE (512: 2m).

Sandown Park selections

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John Dunlop continued his great run of success when Crystal mare wore down Track Spirit in the last few strides of the Wreakle Clinging stakes. The filly is owned by Hugh Blair, who lives on the Scottish border.

In the middle of the present campaign Mr Leggett transferred his horses to Arundel from Scotland and he has every reason to congratulate himself on his decision. Apart from yesterday's winner Dunlop has placed Mr Leggett's filly, Firemist, with conspicuous success to date. Her three races and the Sussex trials has every hope that he will saddle Charnell, unlucky in running at Warwick, to win before the season ends.

Edward Hide is second only to Lester Piggott in managing to convey to the onlooker that he is exuding confidence throughout a race. He was clear long before he struck the front on Verano in the Wilmerspool Plate that Mrs Rothwell's filly was full of running and that little short of an epic success to win her last race. This was the third race in the last eight days for the Newmarket trainer, Jack Clayton, who has been plagued by the virus all season. Hide now ridden 127 winners this year and is only four short of his previous best total of 131.

Leicester

Table with 2 columns: Race Name, Odds. Includes 1.30 EARLY MAIDEN PLATE (1905: 1m 2f) and 2.0 HEATHER MAIDEN PLATE (1905: 1m 2f).

Sandown Park

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Leicester

Table with 2 columns: Race Name, Odds. Includes 5.55 HANDICAP HURDLE (512: 2m) and 6.00 WOODBURY HANDICAP (1905: 1m 2f).

Leicester

Table with 2 columns: Race Name, Odds. Includes 6.30 STUDD CUP (Handicap Steeplechase: £723: 2m) and 6.55 HANDICAP HURDLE (512: 2m).

Leicester

Table with 2 columns: Race Name, Odds. Includes 7.00 WOODBURY HANDICAP (1905: 1m 2f) and 7.30 STUDD CUP (Handicap Steeplechase: £723: 2m).

SPORT

Football

Revie tells his first England party they must believe in themselves

By a Staff Reporter
Don Revie erected a signpost to England's football future yesterday, when he announced his first England party for the European Championship...



Kevin Beattie: one of the exciting, untried members of the party.

Mr Revie said: "It is not going to be easy. I would have liked to see the game being a competitive match. The Czechs have been together for a long time. I have seen them twice and they are a well-balanced, skilled side who know each other's play. They get behind the ball and make it very difficult to score..."

Stoke make nonsense of need to replay

By Gerry Harrison
Chelsea 2 Stoke City 6
Two goals ahead within two minutes, four up at half-time, Stoke City made short work of the previous three hours and a half of stalemate in this Football League cup tie in an extraordinary match at the Victoria Ground last night...

difficult angle as he met Haslegrave's centre from the right 12 yards from goal.
The second half was no more formally, Chelsea were digging in and Hudson and company had the party taste until one or two of the guests threw too much weight about. Salmons scored the fifth direct from a free-kick in the 61st minute. Hurst added another after a good run by Haslegrave. Stoke were now in the record books with their biggest score against first division opponents for 25 years.

Bleak prospects for the British

By Norman Fox
By the end of the current football season, the way of European cup competition is likely to be strewn with defeated British clubs. Only six from England, Scotland and Northern Ireland have survived the climb through the foothills of the first rounds and in today's second, only Dundee United can be confident of taking a substantial first leg lead against Bursaspor of Turkey.

attempt to repeat their victory of 1968. On that occasion they won 1-0, becoming the first European side to best Liverpool on their home ground. Although Liverpool gained revenge three years later when they beat the Hungarians 2-1 on aggregate, they rake today's challenge as the most difficult for a long time. Bob Paisley, the manager had Ferencvaros watched in their recent defeat by Ujpest and said yesterday: "We know them to be a splendid side and I'm insidious that we go all out for goals."

Oosterhuis can break O'Connor's record

rom Dudley Doust
stepona, Oct 22
The journey which began with the Portuguese Open last April is here this week, where the El Paraiso Open begins tomorrow. It is the last of the new golf development courses to be built on the Costa del Sol. The El Paraiso Open is the last of 20 full-fledged 72-hole tournaments on the British PGA calendar, and appropriately, it has drawn the two lions of British golf, Tony Jacklin and Peter Oosterhuis.

challenging Continental team at Stegograd.
Jacklin should rise to Oosterhuis' challenge of supremacy in European golf, a dispute which in the press has inspired, he may give a thought to the fact that this is the chance of a lifetime for the big London player in the number of 1974 tournament victories: Jacklin has won the Scandinavian Open, Oosterhuis these two of course are not alone in the field. It includes most of the leading British and Continental players, especially the Spaniards who traditionally are strong on their home soil.

Taylor celebrates

Peter Taylor celebrated his selection for the England under-23 squad with Crystal Palace's 2-1 win against the third division Blackburn Rovers last night.

Last night's football

Table listing football results from various leagues including the Football League Cup, Southern League Cup, and Northern Premier League.

Facing strong Hungarians without Hunter

From Geoffrey Green
Football Correspondent
Budapest, Oct 22
Leeds United arrived here this evening for the first leg of their second round tie in the European Cup tomorrow against Ujpest Dossza in the national Puskas stadium which will be nearly filled to its 90,000 capacity.

Mr Armitfield is clear on one point: Although the home competition in his opinion comes first there still remains a fierce pride in clubs coming abroad to do their best for the sake of the whole British game. Let us hope that Leeds, twice winners of the Fairs Cup, but still searching for a triumph in the big one, the European Cup, will live up to the efforts they have made in the past.

Women hard put to break 80 in practice

La Romana, Dumnician Republic, Oct 22.—The sixth women's world amateur golf championship opens here today with the powerful American team expected to retain the title.

Britain-Ireland and France, who won the first tournament in 1964. The British team is made up of Mary McKenna, Julia Greenhalgh and Margaret Perkins. The Irish team are Catherine Lacoste de Prado, Brigitte Varangot and Marie Claire Giraud.

Gymnastics

Olga Korbut lies second in world event

Varna, Oct 21.—The Soviet Union headed the women's team standings after the first day of the world gymnastics championships in this Black Sea resort today. Some 3,500 spectators watched as the Russian, world and Olympic champion, Lyudmila Turischeva, took the lead in the individual placings, excelling in the beam and floor exercises.

Advertisement for Hine Cognac featuring a bottle of V.S.O.P. Fine Cognac and a glass. Text includes 'Hine cognac Fine cognac', 'HINE connoisseurs' cognac', and 'By Appointment to Her Majesty Queen Elizabeth II suppliers of Cognac Cognac Fine S.A. Jamaica'.

Rugby Union

Tongans want James to visit them

The Tongan rugby party left last night for Canada yesterday where they will play two matches, their way home from their first visit to Britain. Their first of 10 matches and conceded 37 points while scoring 95. Yet their manager, Lupeni Finau, has a destination to declare the tour a success.

am concerned the actual results have not mattered at all. We have learned so much, especially in the last few days, that it is to get the James coaching us", he said. James, who coached the successful 1971 British Lions in New Zealand, would be in the plane over the layout which greatly resembles a British seaside link, and their first match will have been played in recent days.

Card of course

Table with columns: Hole, Yds, Par, Hole, Yds, Par. Shows scores for various holes.

Card of course

Table with columns: Hole, Yds, Par, Hole, Yds, Par. Shows scores for various holes.

Today's fixtures

Table listing football fixtures for various leagues including the Football League Cup, Southern League Cup, and Northern Premier League.

Wimbledon date

The Wimbledon championships next year will be held from June 3 to July 5.

Snooker

NEW ZEALAND: R. Charlton 5-0, J. Holt 5-0, P. Williams 5-0, G. Reardon 5-0, J. Higgins 5-0.

Tennis

TENNIS: M. Orantes (Spain) beat J. P. Fautsch (Argentina), 6-0, 6-0; J. P. Fautsch (Argentina) beat J. P. Fautsch (Argentina), 6-0, 6-0.

Boxing

AMSTERDAM: Amateur tournament: J. Linnor (Ireland) beat J. Linnor (Ireland), 5-0; J. Linnor (Ireland) beat J. Linnor (Ireland), 5-0.

Law Report October 22 1974

Queen's Bench Division

New classification of common path bars horses

Regina v Secretary of State for the Environment and Another, ex parte Hood. Before Lord Widgery, Lord Chief Justice, Justice Milmo and Mr Justice Ackner.

The Divisional Court, Mr Justice Ackner dissenting, refused an application by Mrs Margaret Cynthia Hood, of McNab Piggotts, St. Nicholas, Birchington, Kent, a member of the British Horse Society, for an order certiorari to quash the decision of the Secretary of State for the Environment in August, 1973, confirming the Council's proposal that a highway at Horse Common, shown on the definitive map under the National Parks and Access to the Countryside Act, 1949, as amended, as a road should be reclassified as a footpath.

The LORD CHIEF JUSTICE said that the highway in question was a minor and unimportant length of path, but the application raised an important principle. By section 27 of the 1949 Act county councils were required to produce draft maps of their area showing a footpath or a bridleway as appeared to the council to be appropriate.

Court of Appeal

Minister erred in giving permission for harbour marina

Harwich Harbour Conservancy Board v Secretary of State for the Environment and Others. Before Lord Denning, Master of the Rolls, Lord Justice Orr and Lord Justice Browne. [Judgments delivered October 17]

Psychiatric evidence rightly excluded

Regina v Turner. Before Lord Justice Lawton, Mr Justice Nield and Mr Justice Cantley. [Judgment delivered October 17]

Town clerk's signature mandatory

Graddage v Harrogate London Borough Council. Mr Justice Walton, in the Chancery Division, held that documents purporting to be demands under section 40 of the Housing Act, 1957, requiring payment from an owner of two houses in Highgate of expenses incurred by the local authority in making the houses fit for human habitation, were invalid since they were not signed by the town clerk or his lawful deputy.

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Raymond Fletcher

The Tories need more confidence not cold calculations

Sir Keith Joseph may not have been registering a claim to the leadership of the Tory party when he delivered his Birmingham speech. The route to leadership in politics, like the route to victory in war, is invariably indirect. But he was certainly thrusting himself into a role his party needs to have played more than it needs a new leader. For some time now, indeed, he has manifestly been in dress rehearsal for the part of the Philosopher-King of the Tories.

A party with little more to offer than 93 per cent mortgages, lower taxes, the vague prospect of expropriated trade unions and a general detestation of the Prime Minister is no credible party at all. Unless the measures it advocates are the outcrop of a coherent view of a kind of society in which it believes—a view more from deep feelings than cold calculations—a party is nothing more than the simulacrum of a Las Vegas fruit machine, promising jackpots to all but delivering only to a lucky few.

Nobody can debate with a freer machine. And since this country needs to debate itself out of the lack of self-confidence that is the cause, not the consequence, of its economic difficulties, Sir Keith's therapeutic efforts applied to his own party are also a kind of service to mine. We have four potential Gladstones in our Cabinet. The House of Commons, for its own good, needs at least one Disraeli sitting opposite them.

'We have four potential Gladstones in our Cabinet. The House of Commons, for its own good, needs at least one Disraeli sitting opposite them'

Parliament are, in fact, living refutations of the caricatures paraded in Birmingham. Mr Stanley Orme, Mr Eric Heffer and Mr Norman Atkinson, to name but three, are as English as Barnsley bitter or Stilton cheese and inordinately proud of the fact. Their private lives, moreover, are characterized by a warmth and loyalty that draws me to them even when I have difficulty in warming to their opinions. (The patriot that Dr Johnson referred to as the last refuge of a scoundrel, incidentally, was his description of the views of those who opposed the then government and supported the American colonists. Edmund Burke was among them.)

There are undoubtedly a few malignant persons crawling around the political undergrowth who fit Sir Keith's description and deserved George Orwell's contempt; but when they run for office they always lose their deposits, as do the Tory rejects in the National Front.

The definitive socialist view of the family, and perhaps of socialism, was published in 1955. "If you have three children," read one passage, "you don't give them three different kinds of breakfast because of their different abilities. The one who is good at football does not get better clothes, or more pocket money, than the one who is more keen on woodwork. And what mother

would feed her children differently because some are girls and some boys? In spite of all differences in sex, ability, taste and temperament, they get the same start and the same treatment. That is the only way of running a family. And Socialists say it is the only way of running a country."

I was possibly a more passionate socialist when I put that in my first election address than I am now; but it remains one of the few things I have written with which I did not disagree as soon as it reached print. And it is probably the only thing I ever wrote that, even today, would unite Mr Roy Jenkins and Mr Frank Allaun in complete agreement.

But back to Sir Keith Joseph, and back to economic man. A healthy economy, like a healthy body, is hardly aware of its own workings. We are reminded that we have hearts, stomachs and livers only when these organs are out of order. An ordered society would not be talking itself, as ours has done, into the economic equivalent of psychosomatic disorders.

But an ordered society does not mean a static society, frozen into a shape that keeps the people upstairs perpetually upstairs. Those downstairs, both in the television series and in contemporary Britain, are on the move upwards, sometimes pulled, sometimes pushing.

It is this process that preoccupies Mr Tony Benn and permeates all his proposals. It is a democratic drive that must reach its fulfilment in the control of industry as it did, through universal suffrage, in the running of the country. And it is because some private industries obstruct it that he wants them publicly owned. There are other reasons in the case of the shipbuilding and aircraft industries, of course, but this is the main one.

Socialists, therefore, want order democratic order—as much as Sir Keith. Socialists, too, want economics relegated to its proper, limited role of measuring and helping to predict. Socialism also implies a society whose economic machinery ticks over quietly and frees people to enjoy, in Jefferson's words, life, liberty and the pursuit of happiness.

The Tory view is that capitalism, though neither designed nor particularly desirable, is what constructs itself when men are free to pursue their own ends. Socialists disagree, and mainly on ethical grounds. There at the point the debate should begin, this column must end.

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Little comfort to be drawn from the lessons of the October War

The October War ended, for want of a better word, a year ago this week. But the military lessons which should be learned from that war have been ever since the subject of intense debate. At the time it had been dubbed the War of the Missile, a fortnight-long campaign which had seen the guided missile replace the tank as the Queen or the dominant piece, on the chessboards of generals? But was it?

It is now generally accepted that the Israeli generals, pelted on military success, used their tanks badly in the opening hours of the war. Armoured columns surged over the desert without adequate support from the infantry, artillery or the air. This was partly because the general staff, dominated by armoured specialists had underrated the value of infantry and artillery in the years following 1967—and partly because the air force were having problems of their own. Despite the surface-to-air missiles (SAMs) in the desert blue skies above Sinai, there was more because of this than because of any magic missiles that the Israeli columns were badly mauled. They were the lessons of 1939-45 not of 1973 which had to be learned as the survivors limped home in the dusk.

Only about a sixth of the Israeli tanks was destroyed by missiles anyway. Another sixth was knocked out by a variety of other weapons. But the majority fell victim to other tanks. The war could thus hardly be said to have previewed the death of the tank. No more could it be said to have celebrated the birth of the missile. The ability of anti-tank missiles to inactivate tanks was not demonstrated—and the Israelis knew that the Arabs had got them, though not in

such large numbers. Moreover, if one started to design a vehicle which could stand up to an anti-tank weapon, one would end up with something looking not unlike a tank.

On the other hand it could be a tank with a difference. If the missile did not destroy the image of the armoured vehicle during the Middle East War, it certainly managed to dent it. There are still tactical problems to be resolved in the use of guided missiles on the battlefield—problems which the Arab armies had certainly not answered. (At times they seemed restricted physically and mentally by the deployment of their own missiles. But these problems will doubtless be resolved. Richard Ogoriewicz of

Imperial College, London, the leading authority upon tanks, pointed out in a recent lecture in the United States that: "The justification for any doubts about the future of tanks must be sought in the potential threat to them from guided missiles, rather than their actual performance so far."

Already, new kinds of armour are being developed which should give better protection against missile warheads than the solid steel structures which have currently used to guard against armour-piercing ammunition.

It is equally hard to draw any clear conclusions from the air war. The effectiveness of the Egyptian air force's hard shells which protected the air-

craft from the threat of another Israeli air strike, was never properly tested because relatively few Israeli planes found their way far enough through the forest of SAMs. But then again, it was not the missiles themselves which proved so deadly but a combination of SAMs with anti-aircraft gunfire from multi-barrelled, radar-assisted Soviet artillery. Even then, when the whole span of the war is taken into account, the Israelis lost fewer aircraft for every 100 sorties than they did in 1957.

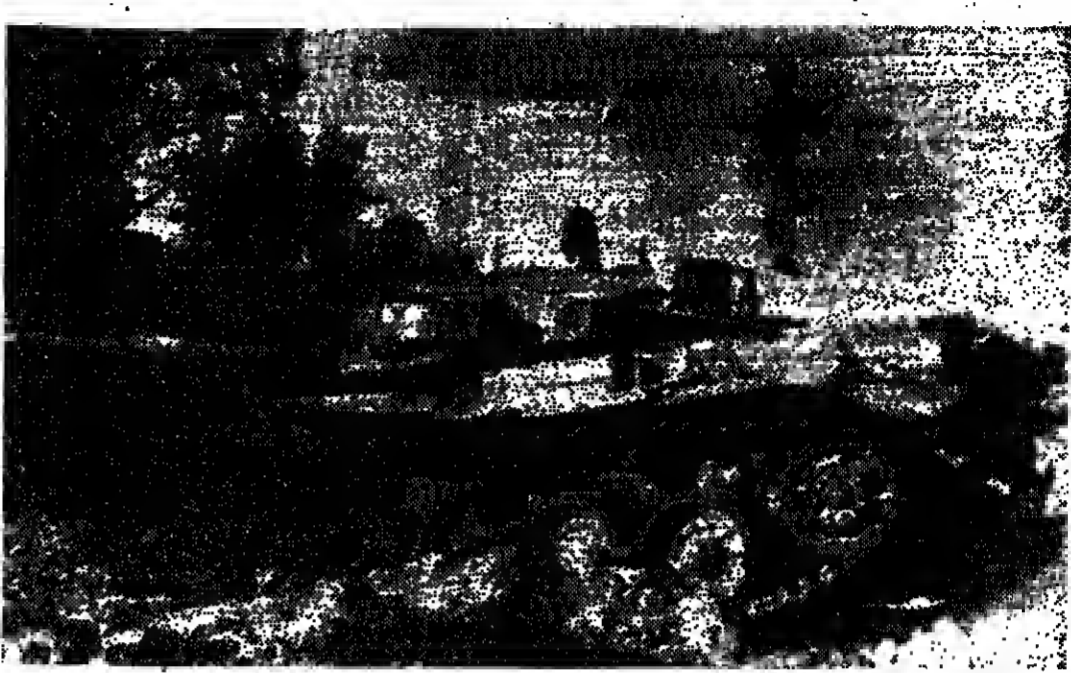
The war underscored the importance of electronic warfare. But it was not an unknown factor. Electronic counter measures (ECM) had been used extensively by the Americans in

Vietnam, against the SAM-2 missile. The Israelis, however, had no ECM reply to the mobile SAM-6 because its radar was unknown to the Americans. The missile was new, but the concept was old—or at least it was already known to the Western powers.

There were important lessons to be learned about the command and control of large forces. The Egyptian army's deficiencies in this respect certainly contributed to the success of the Israeli Army in crossing the Suez Canal. And there were still more pertinent questions on the subject of decision-making, and upon the response of any country to the indications of its own intelligence antennae. Would Netzer dither as the Israelis undoubtedly did, while assessing the signs of military build-up on both Arab fronts before the start of the war? With a multiplicity of governments to consult it would probably dither still more. And when the decision had been taken to react, would Netzer nations move with the speed of the Israelis, and fight with the same resolve and amazing morale?

Whether East or West can derive most comfort from the October war is still the subject of debate. The importance of the missile is likely to grow rather than diminish—and the missiles used last October certainly suggest a swing in advantage towards defence rather than attack. The Soviet Union, perhaps surprised by the impact made by its own weapons, will have made its own assessments. But it should have found little to encourage even the most belligerent in its High Command to contemplate a swift, decisive operation against a defended Europe.

Henry Stanhope
Defence Correspondent



An Egyptian soldier leaps from a wrecked Israeli tank during the Sinai campaign.

The man who upped the price of détente

Bernard Levin

In contemplating the agreement reached between the United States and the Soviet Union, by the terms of which the United States grants substantial and very valuable unilateral trading advantages in return for a promise that the Soviet regime will take a single step in the direction of an elementary act of national decency that has been common to all civilized states for centuries, the first thing to note is the genuine nature of the formalities involved; because of the Soviet leaders' understandable terror at the thought of telling even a small part of the truth to their people, the agreement takes the weird form of a concordat between President Ford and Dr Kissinger on the one hand, and Senator Henry Jackson on the other. The unspoken premise, of course, is that Dr Kissinger was empowered by the Soviet authorities, at the end of his protracted negotiations, to offer the terms laid down in the Ford-Jackson agreement; the deal obviously included a provision that no public reference to it need be made within the Soviet Union.

That is a small price to pay for an agreement of so historic a nature and with such enormous implications. Indeed, if the Soviet States really keeps the agreement, or even goes a substantial way towards doing so, the document enshrining it deserves to rank with the most significant statements ever made in the history of the United States, and can envisage future generations of American children learning to recite its terms as they now do the Declaration of Independence, the Bill of Rights or the Gettysburg Address.

It is difficult to know where to start in examining this astonishing event, the true magnitude of which seems so far to have been scarcely understood. I might as well begin, therefore, with a recouping salute to the man

who, almost single-handed, was responsible for bringing it to its triumphant conclusion. Senator Jackson is an American politician in the admirably forthright tradition of his namesake the seventh President. He fights for his country, his State and his own political career; he does not spare his political foes and does not ask them to spare him; he conceals, metaphorically speaking, a knife in his boot, knuckledusters behind his back and a cob in his hip pocket; and uses them cheerfully whenever he thinks it necessary; and if he has a motto it is surely Pistolet's assertion that Holdfast is the only dog, my duck.

Senator Jackson was determined to do something about the plight of the Soviet people, and in particular about their inability to leave their vast prison-house, even if they promised never to return. Instead of making indignation speeches to give himself and his hearers a feeling of virtue, he took the exact measure of the power which the American Constitution gives to a determined, popular and intelligent Senator, and proceeded to use that power. The trade Bill that was to give Soviet Russia "most favoured nation" status in commercial dealing with the United States was desperately needed by the Soviet leaders; more to the point, it was desperately wanted by Presidents Nixon and Ford, and by Dr Kissinger—in their case not on economic grounds, but because of the Soviet price for détente.

But Henry Jackson's price was higher. It was an easing of the cruel restrictions on those who wished to leave the Soviet Union, and an end to the savage persecution of those who organized enough of his fellow-Senators to ensure that the Bill, provided they stood their ground, would not be passed without the Soviet leaders paying their price. Every kind of

political pressure was brought to bear on him and his supporters; he stood firm, and kept them no less faithful. He was told that there was no chance of Soviet agreement to so humiliating a bargain; he greeted the news with chump to nose. The President publicly pleaded for the Bill to be passed without strings attached; Jackson tied the strings more tightly.

Now I do not sing Senator Jackson's praises simply because he deserves it, but because among the most tremendous implications of what has happened is its demonstration that in the great debate between him and Dr Kissinger, he was right and Dr Kissinger was wrong. The Kissinger argument is that it is proper to give the Soviet Union what her leaders want, provided that we also get what we want; the nobility of the argument is that the nature of the things they want is no concern of ours. Senator Jackson's view is more positive. It is that we can, and should, judge the Soviet Union's demands to themselves, and not simply regard them as characteristics weights on the other end of the seesaw, to be balanced by equal weights on this; the corollary is that the nature of the things they want does affect the price we ask. Dr Kissinger's devotion to freedom is not to be doubted; but he has maintained throughout the negotiations that it is useless to demand something as valuable as internal reform from the Soviet leaders, because they simply will not concede it, and we will therefore lose the chance of getting useful external concessions. The importance of Senator Jackson's victory is that it shows how

low have been the prices we have hitherto asked from the Soviet Union, and how much more we can now ask.

Beyond that vital lesson, there are others to be learned—and taught. It is widely believed that Senator Jackson's campaign, and the agreement itself, concerned the fate of the Soviet Jews. That belief is mistaken; nowhere in the agreement is the word Jew mentioned, and Senator Jackson has been scrupulously careful, throughout the battle, to make clear that he was fighting for the right of Soviet citizens to leave their country if they wished, irrespective of their religion or descent. Nothing less, after all, would have been proper; of course the Jews have led the fight to be allowed to emigrate from the Soviet Union, but only because of the historical accident that they have somewhere they can go. But I doubt if more than a minority, and possibly a small minority, of Soviet Jews positively want to live in Israel; many want only to get out of the Soviet Union, and that is a feeling that is certainly not confined to Jews.

The word of mouth now spreads in the Soviet Union with astonishing speed; if the authorities keep the agreement, and Jews are seen to be leaving in large numbers and without prior suffering, there are bound to be others, perhaps ultimately millions of them, who would demand the right that their governments have conceded. (One of its most touching, and—in its implications appalling aspects of the Jewish emigration of recent years is the way in which Soviet citizens with remote Jewish ancestry which they have always tried to conceal or reject because of Soviet anti-semitism, have been demanding to be classified as Jews, in the hope that they might thus be able to get out.)

That is a prospect to stretch

the imagination almost to breaking point. But it also carries with it another, less happy, implication. What sort of response are the new, non-Jewish emigrants to receive from the West? It may soon be that, at last, through the courage and determination of a great American patriot and humanitarian, they will have obtained from Russia's modern tyrants the right that even the worst of the Tsars freely accorded. Are we then to mock their right and deny their hope? Rather let us say, as was said to their grandfathers: Give me your tired, your poor, Your huddled masses yearning to breathe free, The wretched refuse of your teeming shore, Send these, the homeless, tempest-tossed, to me: I lift my lamp beside the golden door.

There are, of course, horizons still more distant. Dr Sakharov's immediate reaction to the announcement of the agreement was to say, quite rightly, that the Soviet people will be truly free when they can not only leave their country, but when they can leave and return at will. This is, indeed, almost a definition of freedom, and Dr Sakharov, bravest of the brave, is right to demand it in those terms. To put it another way, there is yet another implication to the success of Senator Jackson's campaign—that in dealing with tyrants we must harden our hearts against feeling grateful; every concession they make must be used as a lever to pry open the oxt.

One step at a time. If this historic agreement is kept by the Soviet authorities, I should soon be able to greet Colonel Ovsishcher, Davidov and Alohansky, to shake the hands of Professors Voronel and Levich, and to embrace Vladimir Bukovsky. And all because Senator Henry Jackson stood his ground and would not let go.

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Cancer Relief is about living!

Cancer Relief is not concerned with cancer research programmes currently under way. Cancer Relief is about people who would otherwise be experiencing severe hardship right now—today.

Cancer Relief comes in two distinct forms: For many, in-patient treatment is inappropriate (and often unavailable). Unfortunately, a certain proportion—often through loss of earnings—are unable to afford essentials. Some need help to pay for extra heating.

wherever need exists help is never refused. Hospital accommodation for cancer patients is scarce. Which is why Cancer Relief has expanded its activities into a second major action area—the financing of specialised care units strategically situated throughout Britain. But very many more must still be built.

Without Cancer Relief living would be particularly harsh for around 15,000 people every year. Don't forget them. Please.

Cancer RELIEF

Michael Sobell House, 30 Dorset Square, London, NW1 6QL.
Tel: 01-402 8125

The Times Diary

Relax with a lusty crossword

Tell Me, Josephine, in a Zambian newspaper, in which she answered intimate questions about bum relations. She is still remembered fondly there and this weekend she travels to Lusaka as a guest of the government to attend the celebration of 10 years of independence.

She finds the *Forum* crosswords among the hardest to compile. "There are so few sexual words to choose from," she complains. "And I have to be careful not to be smutty or leering, or to make fun of other people's sexual preferences. For instance, I can use GAY in a crossword, but I would not use QUEER or FANXY."

"I would say the crosswords were lusty rather than sniggering. More like Henry Fielding than like *Playboy*. I think they're fun and they treat sex in a relaxed way. I suppose they are a bit titillating. Really they are meant for couples to do together."

Nag

The children's rocking horse in the playground at Green Bank, Wapping, is reckoned to be about 50 years old, and Maureen Davies says that it has caused at least 15 accidents over the past 25 years. Her own

daughter, Mooica, fell under it three years ago, and has been left with one leg an inch shorter than the other. The Design Council says, officially, that the rocking horse is "incredibly dangerous."

Mrs Davies and other people angry about the state of children's play facilities in Wapping formed a Wapping Parents' Action Group and have made a television film for BBC-2's Open Door programme to be broadcast on November 3. But when they went to film the rocking horse in the Green Bank playground they were locked out.

"Our parks round here have names like Victoria and King Edward," says Mrs Davies, "and that dates the equipment in them pretty accurately. We had collected a lot of old age pensioners to stand around the rocking horse and say how they remembered falling off it when

Winning streak

Newspapermen do not object to being praised, and each year reporters and photographers are honoured for their good works and just deeds. Now a new newspaper prize, the Caxton Year in Pictures Award, has surfaced. At a press conference yesterday, four photographers outstandingly gave photographs. Their pictures are included in a 222-page pictorial account of 1973-74.

The publishers of the book are hoping to attract the sort of people who, in happier times, read *Picture Post* and *Life*. One of the best, and duly awarded a prize, is by Ian Bradshaw and it shows the man who shot across Twickenham in April, 1974. Bradshaw, a freelance who was working

they were kids, but in the end we got them soaking wet in the rain for nothing. We had to film them in the club room and it will not be half as powerful."

Mrs Davies is not only concerned about the horse, but also the children right into their path, and being hit by one of our wooden swings is equivalent to being hit by a five-ton lorry travelling at 25 miles an hour," she says. "There should be a safety law to protect the children from things like this."

Tover Hamlets council are unrepentant. They say the only accident they know of was the one in Mrs Davies's daughter, and that provided the rocking horse is used properly it is not dangerous. It is so known why the playground was closed when the parents went to film there, but some of the equipment is being replaced before it goes back to work.

How do you think they manage to stop the invites, but let the bills through?

PHS



THE WORLD REACTS TO RECESSION

What prospects for the world economy in 1975 should Mr Healey assume as he works on the Budget which he is due to open on November 12? They are an important and frequently neglected element in the various parallelisms of forces which any Chancellor has to take into account. For example, if the flow of spending in the world economy is weak, the demand for British exports will be affected; and fewer exports means less output and fewer jobs at home, which in turn, by the well-known multiplier process, leads to a further weakening of the home economy.

This resulting contraction in the home economy will cause some decline in the home demand for imports; but, unless the exchange rate changes, the fall in imports will only be a fraction of the fall in exports. So, on the face of it, there will be a deterioration in the balance of payments as well as a fall in home output and a rise in unemployment.

In practice the effect on the balance of payments is not so straightforward because a world recession tends to produce a fall in world raw material prices from which the British balance of payments benefits. Indeed, some studies of this mechanism suggest that the British balance of payments actually gains more through the fall in raw material prices than it loses through the fall in exports when there is a world trade recession.

But even if that is so, it is hard in modern political conditions for any Chancellor to sit on his hands while a world recession communicates itself through trade to the British economy. However, if he intervenes by means of conventional deflationary measures to replace the disappearing foreign demand for British goods with extra home demand, he then restores the original level of demand for imports; and there is no offset in the balance of payments to the decline in exports, except to the extent that import prices are averted.

This dilemma can only be escaped by using the exchange rate rather than conventional measures of deflation to meet the impact of a world recession in the home economy. The method here is to maintain a high demand for British exports by making them cheaper

to overseas customers. This can work, but only provided that other countries do not retaliate by similar means, since there is no way that the world can escape the effects of a world recession merely by trying to pass the resulting unemployment on to each other. Moreover, it is a particularly difficult weapon to use when the chief preoccupation of economic policy is damping down inflation at home.

Therefore the prospects for the world economy are decisively important to the shape of Mr Healey's forthcoming Budget. With Britain's rate of inflation and balance of payments deficit at their present level, no responsible Chancellor can afford to press the British economy very far out of line with trends abroad.

There is no question that the world economy has been moving strongly into recession since last winter. This was partly precipitated by the attempts of several major Governments from the summer of 1973 to rein back the excessive rates of expansion and inflation which they had themselves created by their over-reaction to the 1970-71 recession. This tentative deflation was powerfully reinforced by the increase in oil prices last winter. This dramatically reduced the purchasing power of consumer incomes in all oil-using countries; and, since the oil producing countries were not ready to spend the additional revenues which higher prices produced; there was no alternative demand to make good the fall in home demand that occurred in most of the industrial countries and in many non-oil producing developing countries.

This week's reports by the five leading West German economic research institutes typify the pattern of the prospects in most industrial countries. They see output stagnating at its present level until next spring, which means that with rising productivity—that is, output per man employed—unemployment will tend to rise. But the institutes also see a gradual rise in output beginning from next spring and accelerating as the year develops, though still running well below the normal increase in productivity.

Japan has also been suffering the obvious symptoms of the onset of recession. But equally there are prospects for a gradual

recovery next year, helped by the resurgence of the hard-hit Japanese car industry which is already being heralded by Japan's car makers. Likewise in the United States, where an improved outlook for investment next year has developed in the wake of the recent easing in monetary conditions.

These prospects and forecasts are based on the present posture of Government fiscal and monetary policies. If deflationary action is taken, as the Chancellor has been preaching all summer that it should be, then the world recession will be shallower and shorter-lived than now looks likely. It is in fact clear enough that behind smokescreens of anti-inflationary rhetoric, the major Governments—in Washington, Bonn, Tokyo, London and Paris—are already stoking up their economies.

Action has already been taken in Paris and London; and more is to come. West Germany looks forward to a large cut in taxes in the new year as a by-product of tax reform, as well as some other fiscal and monetary relaxations. The American Budget is in fact far more stimulative than the Administration apologises suggest, partly because of substantial spending outside the officially defined "budget" and partly because of persistent large leakages even within it.

The conclusion must be that 1975 will indeed be a recession year, but that it will also see increasingly vigorous deflationary measures in all the main centres. Unemployment in most countries may continue to rise throughout the year; but by the end of it the bottom of the recession in output is likely to have passed. The greater danger is that the deflationary measures will continue strongly long after the recovery is in fact established, thereby precipitating excessive expansion and a repetition of the crisis of 1973, only worse this time.

In these circumstances it cannot be said that world prospects alone rule out deflationary action by the Chancellor in November, although they certainly require that it be measured and modest in degree and that it be easily reversible a year later. The arguments against any deflation at all have to do with home-grown inflation, not the balance of payments.

OBSTACLES TO HOUSE BUILDING

he call to live passionately is not that difficult to resist, but often more difficult to sustain. One likes to risk being identified as a Laodicean, but an ardent single-mindedness does have dangers of its own. Lord Goodman's advocacy in the imbleby Lecture last night of a passionate approach to the housing problem was forceful and infectious, and certainly merits public discussion in a fraction well worth taking. There is enough truth in his charges to constitute a scathing indictment of the way housing policy in Britain has been administered since the war. But the tendency of his thought towards a manner of doing things that might be decidedly welcome to the public in general.

Lord Goodman has been chairman of the Housing Corporation since 1968, and it is clear that what he has seen has made a deep impression on him. As he says, an intolerable congruity that a nation which in terms of public provision has made so little headway in housing should be a part of our way of life, something that we feel acutely more urgency about than our ancestors did about the poverty and famine that were

beyond the resources of their age to cure.

But Lord Goodman insists that in this case the cure is not beyond our resources. It is, he claims, not the shortage of land (quite artificial) or the limitations of the building industry (never taken in hand) that hold us back, but our acceptance that the pace of change must be slow, and the complexity of our system of planning appeals which ensures that it cannot be anything else. Accept risks, reduce complications, avoid the plodding checking and rechecking of plans, says Lord Goodman, and then we shall start to move.

There is a lot in this, and the perception is not altogether novel. In fact an inquiry under Mr George Dobry, QC, has been going into the problem of planning delays and is expected to report later this year. Delays are often great, and the divided planning arrangement set up under the new system of local government might have been calculated to make them worse. To some extent they are the result of such prosaic and temporary difficulties as a lack of expert staff to meet a great increase in the number of applications.

But it is as well to be clear that the risks of which Lord Goodman urges the acceptance are substantial ones. Our planning law is largely a reaction to the experience of the 1930s, when speculative builders were relatively free to spoil the countryside without much benefit to

those who suffered the worst deprivations. We do not want to go back to that. The worst planning delays usually do in some genuine question of conflict of interest which cannot be thoughtlessly dismissed. Some other countries have a zoning system of planning, where a council broadly indicates the type of use it wants in different areas and then accepts more or less any proposal that conforms with the rules. That might have some advantages, but probably not dramatic ones. Building land is scarce often because the councils with the space may not want the size and character of their communities to be transformed. That may be reprehensible where a neighbouring city is desperate for building land, but it is a reasonable motive which should not be overridden without a fair hearing.

Housing is too expensive, durable and important in individual lives to be administered without a certain amount of deliberation. There is much in Lord Goodman's lecture that seems to reflect the frustrations of a powerful mind coming to grips with the intractabilities of a new subject. The spirit of urgency that he calls for can no doubt find many ways to improve the existing processes, but it will not be easy to revolutionize them without creating new objections. It will be interesting to hear what Lord Goodman has to say later, when he comes down to details.

Trafalgar Square
 From Mr Leslie Fairweather
 Councilor Prendergast, Chairman of Westminster City Council Planning Committee, rightly is for a fuller public consultation before major building proposals are considered by his committee (October 19). He complains on accusations that the Trafalgar Square proposals (as exhibited in National Gallery between 14 and 15 October) are no more than a public relations venture glossed over as "the public's anxiety". As only the property developer's proposals were shown, and as no alternative was even hinted at, it is difficult to see how the public could have a fair chance to express opinion. Because of this pre-emptive viewpoint taken by a public works company on behalf of the developers, we felt that an alternative viewpoint had to be given. Our bestly arranged counter-objection on the steps of St Martin in the Fields suggesting that the buildings could be conserved and restored.

At this exhibition about 6,000 signatures of protest were collected in 10 days. And these were from ordinary members of the public who felt that they had not been told the story nor given the chance in the developer's questionnaire of

making their wishes known. They were certainly not "a small appointed band of technical critics" which the councillor appears to assume are the only protesters.

The sort of developments proposed in the south-east corner of Trafalgar Square, as this journalist consistently said, are socially wrong, environmentally wrong, and visually wrong. The way the proposals have been presented for this vitally important piece of the London scene is a travesty of public participation. The time has gone when the public should be asked to condone wanton destruction and senseless waste.

Yours faithfully,
 LESLIE FAIRWEATHER, Editor,
 The Architects' Journal,
 9 Queen Anne's Gate, SW1,
 October 21.

European hygiene rules
 From Mr R. Johnson
 Sir, Mr W. D. Tavernor, President of the British Veterinary Association, in his letter of October 19, mentions a statement that in many other developed countries (that Britain, the veterinary profession is responsible for meat hygiene. He does not advance any reason for this fact.

The simple explanation, particularly so far as Europe is concerned,

is that these other countries do not have Britain's highly developed and comprehensive public health service with its long tradition and its teams of specially trained officers. Other countries which do not have such a service have had to rely on veterinarians to do this work. There is nobody else to do it.

It really is incredible that with such a shortage of veterinary surgeons and with such a vast amount of animal disease to be controlled and treated, Mr Tavernor should be advocating a policy which would take more of his colleagues away from the eradication of disease in the live animal. This is work in which they are the experts. Post mortem inspection and meat hygiene can be dealt with quite competently by the public health officers trained in this work.

Certainly poultry inspection and hygiene need tightening up but not to the absurd and costly lengths to which the EEC would have us go. In any case, why should the EEC dictate to Britain the kind of service we should maintain for some consumption?

Yours faithfully,
 R. JOHNSON, Secretary,
 The Association of Public Health Inspectors,
 19 Grosvenor Place, SW1,
 October 21.

The dilemma of birth control

From Mr Frank Field
 Sir, Critics of Sir Keith Joseph's Birmingham speech have been accused of "gross misrepresentation", and their criticisms of devaluing the currency of public debate on issues which we ignore at our peril.

These charges better fit Sir Keith Joseph's own actions. He is in business to his protect and further the interests of poor families. One way of doing this is to publish detailed research, and the Wynns' article in the last issue of *Poverty* was one such example of this. This article was published by the group because it contained important information on what was happening to our society, although in publishing it we realized it could be misrepresented in public debate. This to us is precisely what Sir Keith Joseph did.

At any one time only a minority of the population can bear children. The cost of raising the next generation therefore falls disproportionately on one part of society. The Wynns' article shows that an increasing proportion of children is being born to young mothers and that many of these mothers are poor. The need therefore to share more equitably the cost of raising our next workforce becomes even more important. This was totally ignored by Sir Keith when he went on to talk about the de-generation of the race.

We now learn Sir Keith has been hurt by the reaction in his speech. Many poor mothers have reported exactly the same reaction, for they feel they have been cast in a scapegoat role. It is little use for Sir Keith to claim that this was unintended. Any serious politician would have told him that the will of his Birmingham speech would have the impact it had.

Nor is it any comfort for these mothers when Sir Keith now claims that the Secretary of State for Social Services should have protected him from these "misrepresentations". It is precisely because his stewardship was out an outstanding one at the Department of Health and Social Security that, after reading the speech carefully, so many people reacted in the way they did.

Yours faithfully,
 FRANK FIELD,
 Child Poverty Action Group,
 1 Macklin Street,
 Drury Lane, WC2,
 October 22.

From Mr Peter Gellhorn
 Sir, The reaction in various quarters to Sir Keith Joseph's speech this weekend shows an even more alarming state of our standards than the evil which he was pointing out. Where the colonial system existed and meant that we can no longer recognize a sincere, responsible and, I would emphasize, compassionate statement when it comes our way? Or must a man who speaks the truth be maligned, misinterpreted and attacked just because, politically speaking, he may be "mixed up with the wrong side"? I have frequently been told that family planning methods are too expensive for thousands of people; now that it is suggested to provide a free service for those who need it, we are told that this would mark them out for a second class existence, with a name of Hitler, and I suppose, Herod. In the name of sanity, how many ways are we going to have it?

Yours faithfully,
 PETER GELPHORN,
 33 Leinster Avenue,
 East Sheen, SW14,
 October 20.

Gibraltar and Spain
 From the Spanish Ambassador
 Sir, May I take up a few points of Sir Joshua Hassan's statement on what he calls "the Gibraltarian case" (*The Times*, October 14) and preface my remarks by saying that I have every respect for the Gibraltarians whom I number among very good friends. I am also conscious of the very human problems that Gibraltar poses.

1. He writes that "to describe us (Gibraltarians) as an artificially imported population is absurd". If by "absurd" he means that this is the face of history, it is very well known that in 1704 the original inhabitants were expelled by the invaders, and neither they nor their descendants have been allowed to return. The colonial authorities have fostered the settlement of immigrants from other countries, to assist in the running of the fortress and the naval base, while always maintaining a careful policy of not letting Spanish citizens on the Rock.

2. Sir Joshua pretends that "the Spanish Government denies that we have any right at all to express any wishes and claims to protect our interests". This statement is quite inaccurate. Spain simply denies that the Gibraltarians have any right to make decisions with regard to a part of Spanish territory that has never belonged to them, and to which at no time have they held any legal title.

3. Sir Joshua refers to the Spanish offer of a special regime for the Gibraltarians, which he says is "not to be disclosed". No doubt this supposed ignorance could be remedied through the authorities responsible for Gibraltar's external affairs. In any case, full and detailed information concerning the Statute of this kind was given, at the beginning of 1973, to distinguished Gibraltarians who are prominent figures in the public life of the Rock. That he did not think it proper to make it known to his fellow citizens is hardly Spain's fault.

4. Finally, I recall that Spain has offered the Gibraltarians, officially and before the United Nations General Assembly, a special system of judicial, administrative and financial autonomy, to be guaranteed by the organization. This, I submit, provides ample room for discussion and negotiation.

Yours faithfully,
 MANUEL FRAGA,
 Spanish Ambassador,
 Spanish Embassy,
 24 Belgrave Square, SW1,
 October 18.

Labour's policy for industry

From Lord Roberthall
 Sir, The letter (October 18) from Mr Norman Atkinson and others is a most timely illustration of the world of illusion in which this country is now living.

It is hardly too evident that a "massive public subsidy" to the private sector would, as your correspondents say, destroy anything that now remains of the social compact. It would also make the position of the private sector even more desperate than it is now. Industry requires two things:

(a) that it should not be taxed on profit figures which very much overstate their real level, and especially on stock appreciation which makes no allowance for inflation; and (b) that it should not be price controlled on the basis of costs well below the real cost it is incurring.

It happens that in the same issue of *The Times*, there is an article by your Economics Editor, Mr Peter Sykes, which discusses the effect of inflation on the real profits of industry. Mr Atkinson and his colleagues should read this article, and tell industry whether they would regard the reduction of taxes on stock appreciation as a massive public subsidy; and if so, how they square the impending bankruptcy of British industry with the Government's White Paper, calling for a "vigorous, alert, responsible and profitable private sector"—a commitment repeated in the Prime Minister's broadcast of October 14.

Yours faithfully,
 ROBERTHALL,
 34 Maunsel Street, SW1,
 October 18.

From Mr A. J. Merrett and Mr Allen Sykes
 Sir, Your letter from Mr Norman Atkinson and his colleagues (October 18) raises matters of grave import to the health and survival of the private sector of British industry and the multi-million jobs it supports. There is as implied agreement that the Government effect that British industry is unworthily seeking unconditional government aid. The facts are very different.

Through the workings of a price control system which makes inadequate allowances for the ravages of inflation and permits only half of wage increases to be passed on, plus a corporate tax system that not only makes no allowances for inflation but has actually been increased at a time of a grave decline in profitability, British industry in aggregate (we exclude financial institutions) has been reduced to a state of running at a loss—a fact accepted by the whole of industry, the press, and indeed government spokesmen. What is sought by the overwhelming majority of firms affected is not subsidies nor yet government financial loans (the idea of Sir Harold Lever) but a reversal of crippling government action which, largely inadvertently, threatens to bring industry to a standstill and to contribute mightily and uncontrollably to unemployment.

Where industry is economically incompetent and it could be demonstrated that government control would improve the level of competence (the possibly government help could justifiably be linked to accountability and equity participation. But when industry has been crippled mainly by government action it is surely entitled to be allowed a remission of price controls and taxation reform. These, coupled with a manifest government determination to permit the mixed economy to flourish, would restore business confidence and largely obviate the need for any govern-

ment subsidies or special financing arrangements.

We do not choose to enter into political debate with Mr Atkinson and his colleagues, but if they wish the government directly to own and/or control more of British industry on a major scale, then let them advocate it on its merits and try to achieve it openly for stated reasons. But what they cannot claim in truth is that industry's crisis is of its own making and therefore it deserves on that account to be taken over in major part.

Moreover, Mr Atkinson and his colleagues have entirely overlooked the point in our September 30 *Financial Times* article, "The real crisis now facing Britain's industry", that in recent years British industry has been operating at quite uneconomic rates of return and is currently operating at an actual loss. Given these circumstances, and if prices are controlled and restrictions continue, then even where companies have funds or reserve borrowing powers to finance further investment it would be utterly irresponsible both to shareholders and to employees to invest further. To undertake yet more uneconomic investment must ultimately result in bankruptcy.

Furthermore, financing by state equity or loan capital could at best postpone this inevitable outcome. Hence, under present conditions, neither state or private finance is warrantable since they can at best merely finance the problem for a year or two rather than solve it. The need is not for more finance at all, but for acceptable levels of net-of-tax profitability.

It must be stated categorically that if action is not taken speedily to remove the government's tax and price control shackles a great many firms must either fail or so cut back as to be uneconomic (survival must be their first priority) that a great many jobs must be lost in consequence. In that event no action by ministers and civil servants on the unprecedented scale that will then be required can be sufficient to avert great misery and distress.

Yours faithfully,
 A. J. MERRETT,
 ALLEN SYKES,
 9 Downs Road,
 Epsom, Surrey.

The Liberals in Scotland

From Mr D. MacDonald
 Sir, The hopes of Mr Jeremy Thorpe and so many others for a break-up of the two party system, the introduction of electoral reform and, with them, a strengthening of the Liberal Party by the infusion of new blood through the recruitment of moderates in the Conservative and Labour parties have been dashed by the results of last week's general election.

However, sympathy for the Liberal Party must be tempered by the realization that its failure to fulfill the hopes mentioned above was not a result of a largely imposed. The Scottish Liberals chose to contest constituencies in which they had clearly no chance of success, in which it was always evident that their vote would be decaying. They surprised even their best friends with attempts to resuscitate Liberal Associations, such as that in West Strathgairne, long since dead beyond redemption. They ascribed to one only their friends but also their fervent supporters by eleven hour interventions in such constituencies as East Kilbride.

The product of these foolish policies was fifty times less deposits in the sixty eight seats contested in Scotland and victory for the Conservatives over the SNP in four seats (North Angus & Perthshire, East Fife, Kinross & West Perthshire and Ross & Cromarty), but also, much more significantly, victory for

Powers of the 1922 Committee

From Mr Philip Goodhart, Conservative MP for Bromley Beckenham
 Sir, As the historian of the 1922 Committee I must refer to the suggestion of my colleague Michael McNair-Wilson (October 19) that the present officers and executive of the 1922 Committee automatically lost their positions when the last Parliament was dissolved.

In fact this point was settled on January 9, 1924, at the first meeting of the 1922 Committee to be held after the general election on December 9, 1923. The committee then passed a resolution:

"That until such time as a new executive committee can be appointed of the remaining members of the executive committee be empowered to act.

The passage of this resolution in 1924 had important results. Without any further committee elections the existing 1922 executive proceeded to organize a detailed post-mortem inquiry into the reasons for the Conservative Party's recent election defeat. They immediately sought the views of past colleagues who had been defeated. The existing 1922 Committee then produced a report which was highly critical of the way in which the leader of the party, Mr Stanley Baldwin, had conducted the campaign.

On February 11, 1924, the chairman of the 1922 Committee, who had still not been re-elected, called a special meeting of the committee and put forward a resolution which was then carried:

"That this meeting of the Conservative Party's members (1922-23) committee expresses its emphatic conviction that the first duty of the party at this critical juncture is to take such steps as may seem necessary and expedient to place the organization of the party upon a democratic basis and to establish a closer contact between the leaders and the rank and file; and that, for this purpose a committee fully representative of the party should be appointed.

Almost exactly 50 years later, on March 5, 1974, Mr Heath, as leader of the party, accepted an invitation to address a full meeting of the 1922 Committee a fortnight before the present executive was elected. Those executive elections had been postponed for a brief period because of the large number of new members.

Every precedent, both ancient and modern, suggests that the old executive of the 1922 Committee has a duty to meet, to act, and to give advice in the period that must elapse between the end of one Parliament and the holding of elections in the next.

Yours faithfully,
 PHILIP GOODHART,
 House of Commons,
 October 21.

Electoral reform
 From Professor Lord Kahn
 Sir, I have to apologise for an error in my letter (October 11) about electoral reform and the Liberals. The French system which I recommended is the French system for the election of a President.

In a National Assembly election, all candidates who stand in round one, except those who received less than 10 per cent of the votes in round one; and in round two a relative majority (not necessarily absolute) secure election. This system does enable electors who find that they wasted their votes in round one to switch their votes to facilitate electoral facts and tacit understandings, with the result that in practice in many French constituencies only two candidates do fight round two. I regard the French National Assembly system as less suitable for this country than the French system, though better than no reform at all.

I am, Sir, your obedient servant,
 LORD KAHN,
 King's College,
 Cambridge.

Men of peace
 From Mr Niall Macdermot, OC
 Sir, You ask who are the contemporary equivalents of Lord Cecil and Sir Norman Angell. May I suggest Mr Sean MacBride, who received no mention in your leading article of October 14. His award of the Nobel Peace Prize was made in his dual capacity as my predecessor with the International Commission of Jurists and as Chairman of Amnesty International. It is to be hoped that Mr MacBride's continued insistence upon the interdependence of peace and human rights will also, before long, be "absorbed into our modern consciousness".

Yours faithfully,
 NIALL MACDERMOT,
 Secretary-General,
 International Commission of Jurists,
 Geneva.

Poets' Corner

From Mr Sean Day-Lewis
 Sir, In reply to Miss A. R. Marden (October 15) my father, C. Day-Lewis, never expressed any wish about the placing of remains. Stinsford was chosen by his widow, daughter and sons because of his many associations with Dorset, very much his favourite English county, and in particular with Thomas Hardy. I think he would have been disappointed that the Westminster Abbey authorities have not found him worthy of a memorial in their poets' corner, and I am sure he would have kept his disappointment to himself. On a committee he might have been the first to propose that such memorials be delayed for 50 years after death, when it is known that a poet's work is valued by posterity as well as the people of his own time.

Yours faithfully,
 SEAN DAY-LEWIS,
 38, Cairn Road, W.14.

Thalidomide fund tax
 From Mr N. S. Bulmer
 Sir, Your leading article (October 22) on the Distillers Fund for thalidomide children is correct to suggest that any tax concessions for the income of the fund should only be given in the context of better tax treatment for all those victims of accidents who rely on the income from compensation they have recovered. It may also be hoped that any such concessions will also help those disabled at birth or by disease who find no one responsible from whom to obtain compensation for their disabilities.

The tax rates that you quote for each child receiving income from the fund may be right for this year but will not be so for next. From Mr Healey's Budget debate speeches it is clear that two things will appear in next month's Finance Bill which will have the effect that thalidomide children will not be taxed "at rates related to the personal income circumstances of each child". One is that a child's income will again for tax purposes be added to that of its

parents. Unless a thalidomide child is also an orphan that child will almost certainly be taxed at a minimum rate of 33 per cent.

The other is that, not only for next year onwards but also for this year retrospectively, the 15 per cent investment income surcharge will be applied to incomes over £1,000; this will further reduce the proportion of the 48 per cent deduction which might be recovered for the child. Taking these two provisions together, many thalidomide children may well from next year pay tax at rates higher than 48 per cent.

You are right also to mention that the charitable status of the fund is irrelevant for the personal tax circumstances of those receiving income from it, but for the fund itself such status is crucial, since it will pay no tax on its own income and from all its resources could make lump sum payments or provide facilities for thalidomide children which would not be taxable.

Yours faithfully,
 N. S. BULMER,
 172 Kensington Park Road, W11.

THE TIMES BUSINESS NEWS

Keith Cardale, Groves & Co. Chartered Surveyors

GKN Transmissions at the Motor Show at Stands 301-6 Avenue 1, First Floor, Earls Court

Mr Benn switch assures Boveri of victory in George Kent bid

By Anthony Rowley An end came yesterday to the long takeover battle for George Kent when Mr Wedgwood Benn, the Industry Secretary, announced that he was switching the Government's allegiance from the General Electric Company bid to that by Brown Boveri, the Swiss group.

PO shake-up may put employees on board

By Maurice Corioa Industrial Editor A shake-up in the boardroom of the Post Office Corporation, which will include the departure of Sir William Ryland, the chairman, is under urgent consideration by Mr Anthony Wedgwood Benn, Secretary of State for Industry.

former Conservative Minister of Posts and now retired from politics to develop a business career. However, Mr Benn is likely to give serious consideration to a trade unionist, but not one of the eging, it distinguished, TUC war-horses who once were rewarded with state jobs. Given the state of staff morale in a labour-intensive corporation, a new chairman has to be capable of attracting union support in handling some very difficult problems.

range planning and has impressed Whitehall with his emerging success in running the Giro service. The present Post Office board comprises six full-time members, and three part-timers (including the deputy chairman, Mr Whitney Straight). Mr Straight is not expected to continue beyond the end of this year, having served beyond five years and since the Post Office moved from departmental to corporate status.

Before taxpayer compensation, the corporation in its last two financial years has lost more than £100m. It has received Exchequer subsidies for this period of £137m, plus a £46m write-off on indebtedness. In the current financial year at least £1,790m of tax losses are being carried forward and no corporation tax was paid last year. The interest bill on heavy borrowings will soar well beyond £250m alone, and some substantial short-term Government loans, adding up to £200m, need to be converted into medium-term borrowings, which together with longer term loans now add up to £2,819m.



Sir William Ryland, his two functions could become two some definite ideas for increasing worker participation.

Vauxhall offer new pay deal to 26,000

By Raymond Fernan Labour Staff The Ford pay deal made its first impact yesterday when the Vauxhall motor company offered its 26,000 manual workers increases of £5.20 a week. Like the Ford agreement, the offer from Vauxhall breaks the social contract rule that 12 month pay deals should not be reopened before they would normally expire. Workers at both companies received their last increases under Phase Three in April and their agreements had five months to run.

Swiss bank lost £20m on dealings by client

From Alan Macgregor Zurich, Oct 22 Union Bank of Switzerland revealed today that the loss it suffered earlier this year on forward foreign exchange transactions by one of its clients amounted to £20m Swiss francs (almost £20.5m).

Drivers' strike shuts two Scottish bottling plants of United Glass

By Edward Townsend United Glass, Britain's biggest bottlemaker, yesterday became one of the first industrial victims of the Scottish road haulage drivers' strike. It closed the Alloa and Shetland bottle-producing plants and laid off almost 1,000 workers. A third factory at Kinghorn, Fife, is expected to be shut today, causing a further 100 workers to be made idle. Lost output from the Scottish plants, which are chiefly engaged in producing whisky and spirit bottles, is expected to be about 300,000 units a day.

year at BP's Grangemouth oil refinery, and the ICI soda ash dispute, both of which hit output. Meanwhile the stranglehold on other Scottish companies tightened yesterday and with hopes fading of an early solution to the country's transport disputes, more lay-offs and closures are expected. Distillers, which owns 50 per cent of UG, described the situation at its Scottish whisky bottling plants as quite "dire". The company uses imported bottles as well as those made by UG. It said stocks were ample although it was having difficulty in transporting whisky to the docks for export. More than 9,000 are employed at Distillers' whisky plants.

dependent on continuous supplies of timber and pulp, and face the prospect of running down production. The British Paper and Board Industry Federation said: "The situation will be worse by the end of the week." Roger Nieleve writes: Vital supplies for North Sea drilling and for hospitals, movement by road of all foodstuffs and general cargo to and from Hull was frozen yesterday by a strike of 1,000 lorry drivers from 92 local firms. They were supporting action by Hull's 2,100 dockers. The industry stated that best deliveries were not so far affected. However, its wine and spirits plant at Leith is suffering from raw material shortages. British Leyland said yesterday that an announcement of lay-offs at its Scottish commercial vehicle factories was imminent. Lorry drivers picketed the company's plant at Bathgate, West Lothian and the Albion Motors factory at Scotstoun. Scotland's 30 paper mills,

Success of CU issue aids equities

By Our Financial Staff An uncertain day's trading on London's equity market was enlivened yesterday by a successful debut for the shares offered to shareholders in Commercial Union Assurance by way of a rights issue. Within the first hour the shares had established a premium of 15p over the offer price of 60p. But this premium was later reduced to 13p. Some four million of the rights issue shares were turned over yesterday, representing about 4 per cent of the total issue. The "old" shares in Commercial Union traded at 75p ex-rights. The success of the issue helped the rest of the financial sector. Slater Walker Securities and Hambros Bank, both weak spots in the past week, moved higher. But hire-purchase issues continued to lack support. Industrials traded nervously, however, and drifted lower in late dealings. The FT index shed 0.9 to 204.9, but the more broadly-based Times index edged forward by 0.38 to 80.34. Government bonds fell back on fears of renewed wage inflation.

ICL to unveil new computer series today

International Computers confirmed that it will announce today the long-awaited details of its new range of computers, known as the 2900 series. In preparation for the launch, the 2900 program directors and program managers have been appointed. The Government is contributing £40m up to September, 1976, towards the development of the new computers, subject to repayment beginning in 1977-78. Total development cost is estimated to be about £160m. The Government also holds a 10.5 per cent stake in ICL.

US consumer prices surge ahead again

tom Frank Vogl Washington, Oct 22 Consumer prices in the United States rose by 1.1 per cent in the month to a 12.1 per cent since last August, the highest annual rate of price acceleration recorded since 1947. The latest cost of living figures could have a significant impact on the current election campaign and increase pressure on the President to take more anti-inflation action. The recent Gallup poll shows that 69 per cent of the American people expect the economic difficulties to get worse in the next six months, while 51 per cent believe the United States is heading for a depression. Today's figures may well lead to anxieties. Department of Labour figures show a seasonally adjusted increase last month of 1.1 per cent in real spendable moneys (take-home pay), or a fall of 0.9 per cent in real wages. These earnings have fallen by fully 5.2 per cent since the last 12 months, the sharpest fall since the second quarter of 1973. The consumer price index rose in the third quarter of this year at a seasonally adjusted annual rate of 14.2 per cent, compared to a rate of 10.9 per cent in the second quarter. Much of the advance was due to the extraordinary rise in food prices, which directly reflect the damage done to the harvests by the extended droughts in the mid-West. The consumer price index (now 151.9 with 1967=100) rose at a seasonally adjusted rate of 1.2 per cent in September, after rising by 1.3 per cent in August. Food prices rose last month by an adjusted 1.9 per cent, after advancing by 1.4 per cent in August. Non-food commodity prices rose at an adjusted 1 per cent last month, after rising by 1.5 per cent in August, while prices for services continued at the same 1.1 per cent rate of increase seen in both August and July. Many experts believe that some moderation in food price rises can now be expected, combined with a continuing softening of non-food commodity prices, this could have some impact on the general inflation rate.

Local authority 18-month issue at a new high

By Tim Congdon There was a minor innovation in the market for local authority finance yesterday. The weekly issue of warling bonds was accompanied by an issue with a maturity period of 18 months. Although this is not completely new, yesterday was the first time the amount involved was significant. The issue raised £25m. It is understood that 18-month finance is attractive to local authorities because it covers more than one financial year. The coupon rate on the issue was slightly higher at 13 per cent, compared with the 12 1/2 per cent "yearling" issue of 12 1/2 per cent.

Singapore suspends Sime Darby quote

By Our Financial Staff Confusion surrounded Sime Darby, the giant Far Eastern trading house yesterday, when shares were temporarily suspended on the Singapore Stock Exchange. The reason given for the suspension was that the Stock Exchange was seeking clarification over the date at which the company's shares were to be closed for the purpose of paying the final dividend. According to the accounts, published yesterday, the dividend is payable on November 22 to shareholders on the register at the close of business on November 4.

Europe warning on US air traffic 'protectionism'

Brussels, Oct 22—European airlines hinted today that they might boycott United States planes if Congress passes "protectionist" laws aimed at helping American airlines. Mr Victor Gore, secretary-general of the Association of European Airlines, told an AEA meeting that such laws—or an increase in government orders to travel agents and forwarders to ship goods in American planes—"might snowball and if implemented in other parts of the world lead to disastrous consequences for all carriers, irrespective of their flag". If the government tries to "close" the unfortunate financial difficulties of an American World Airways carrier, it "may well be detrimental to the interests of important sectors of American industry".

Trafalgar sells stake in oil exploration group to Odeco

Trafalgar House is to sell its 50 per cent stake in Storm Drilling and Exploration, the oil exploration group, which it joined by tender offer only months ago. The buyer was Odeco Services, the joint venture of Odeco and Storm Drilling and Exploration, £29 a share, against a purchase price of £25. The deal is subject to Odeco receiving a favourable response to a bid the outstanding shares by November 15. Mr Victor Matthews, deputy chairman of Trafalgar, said yesterday that the American authorities had frowned on plans by the British group to make a full-scale offer or an indigenous exploration company, but the agreement with Odeco specifically provided for continuance of Trafalgar-Storm Offshore Services, the joint North Sea venture. The proposed sale of Storm's shares in no way affected Trafalgar's plans for expansion in North Sea activities, Mr Matthews said.

How the markets moved

Table with columns: Rises, Falls, THE POUND, and Equities moved uncertainly. Lists various stocks and their price changes.

On other pages

Table listing other pages: Business appointments, Share prices, Bank Base Rates Table, Interim Statement, Odeco Printing Group, Prospectus, Unisel Gold Mines, Market reports, Anglo American Investment Trust, Burrup, Mathieson & Co, De Beers Consolidated Mines, Minerals & Resources Corporation, Sellinco.

Selincourt Limited. Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar. All correspondence and documents for registration regarding the Share and Stock Registers should in future be sent to: Lloyds Bank Limited, Registrar's Department, The Causeway, Goring-by-Sea, Worthing, Sussex, BN12 6DA. Tel: Worthing 302541—(STD Code 0902) FHC Henshall, Secretary

Australian eased liquidity eased

Sydney, Oct 22—Australia's Reserve Bank will provide \$A112.5m (about £76m) to boost the liquidity of the larger trading banks, Sir John Phillips, the bank governor announced. The funds will be made available to the banks tomorrow, and will be provided by a special facility agreed with the Reserve Bank under which funds amounting to 1 per cent of deposits will be drawn by each bank either by loan or bill transactions, the governor said.—Reuter.

INTERIM STATEMENT

OXLEY PRINTING GROUP LIMITED. Unaudited Results for the Six Months to 30th June, 1974. Table with columns: 30th June 1974, 30th June 1973, 31st December 1973. Includes Turnover, Profit before Tax, Profit after Tax, Interim Dividend, and Interim Report.

BY THE FINANCIAL EDITOR

CU's rights as a market barometer

The band of braves who went ahead and put together a 622m rights issue for Commercial Union within a whisker of what may prove to have been the bottom of the bear market will doubtless have gone home well satisfied last night. A 13 1/2 point premium on the new, nil-paid shares—subscription price 60p a share—might well have been considered embarrassing at any other time, but in present circumstances could only be expected to draw huge sighs of relief. Nor, remembering the last day for acceptances falls 24 hours ahead of Mr Healey's November Budget, should there be too much danger of any late upset.

Looking back over the past couple of months or so, it is, perhaps, surprising just how resilient the UC price has proved. Ahead of the St Martins bid in mid-August the shares stood at 106p. Since then the price has been as low as 72p (immediately following the rights issue) but has since recovered to 106p. A subsequent rally meant that by Monday's close the cum-rights price had underperformed the composite sector over the period by only a few pence. And with a prospective yield of 13 1/2 per cent at last night's 75p, ex-rights, yield is now only marginally higher than the prospective for the sector as a whole.

In what extent the whole episode of future rights offerings is another matter. Certainly it is now clear that anything can be done at a price. But until the market feels that it can see more than a few days ahead with any confidence, rights issues will continue to need yields somewhere in the stratosphere.

Harrisons & Crosfield

Cyclical peaks

Harrisons & Crosfield had it all its own way last year, with commodity prices on the upswing, and a massive increase in timber earnings, plus a buoyant time for the United Kingdom chemical and processing companies. But preliminary results point to a particularly gloomy picture, for the Sabah timber and builders merchanting group which takes in the areas of F & C most given to cyclical excesses, closes its books in December, while the rest steams to June. Sabah has already announced profits of £9.5m for 1973, against £4.1m, which fits the pattern of a cyclical peak. Yesterday's operating profit figures of £10.5m against £4.5m for H & C's timber division. So on reflection of the figures seen so far at a cyclical peak, underlined by a fall of a fifth in pre-tax profits for the next six months to June.

If that is one vulnerable area, commodities is another. Agency offices, shipping and general merchandising, which includes the UK of the group's overseas interests excluding timber contributed a £2m increase in adding profits to £4.8m. Here, the group has obviously been on the back of rising oil, tea and palm oil prices, the Asian earnings increasing to £1.8m, which is 41 per cent of the total. In the next year he pickings here will not be as good, although a palm oil price has been on a recent weeks. Results from the United Kingdom industrial division fell to 47 per cent to 42 per cent of the group's pre-interest total, with trading profits of £3.8m, and £1.5m. The group is coy but much British Chrome contributed in its maiden eight months, but the probability is that the amount is negligible as the cost of financing that raised for the acquisition, which has been the main reason for the rise from £554,000 to

£1.6m in interest charges. For the current year it is difficult to raise much enthusiasm about prospects, particularly as the building and timber cycles are still firmly stuck in the doldrums. With the share unchanged at 850p yesterday a p/e ratio of 5 looks about right, while a 10 per cent yield, after the 25 per cent dividend in the dividend, is on support.

Sears

It might have been worse

Sears Holdings' interim results are more encouraging than the 22 per cent fall in profits might suggest. The detailed breakdown of the trading profits reveals no horror stories; rather there are one or two above-average performances, compared with what might have been expected. Weak spots were engineering, with a £3.4m drop to £2.2m, reflected the slump in world wide orders for knitting machinery with no sign of any upturn. But Bentley should have done much larger share of the market when the cycle does eventually recover. Betting, profits halved at £1.4m, suffered from a punter's paradox in May and June but in the slackest winter season there is no chance of the damage being fully recovered.

More positively, department stores £410,000 down at £2.7m turned in figures above what might have been expected. This is borne out by the footwear division only £543,000 lower at £8m in a period covering the three-day week and price controls.

Sears has bought a Ford distributorship in the Home Counties, apparently capable of an annual turnover of £5m. This may have been a cheap acquisition with the impact on profits will be some way off. And Sears' strong cash position—still well over £10m—has been utilized to buy in £2m of the convertible at an effective yield of 15 per cent and a capital profit of £1m set against interest charges.

Assuming that the recent recovery is maintained—and there could be margin problems soon—a £7m profit fall to £41m for the full year would be in the order of things, suggesting a prospective p/e ratio of under 5 1/2 at 23p.

Interim: 1974/75 (1973/74)
Capitalization £103m
Sales £74m (£75.8m)
Pre-tax profits £16.2m (£20.8m)

TKM

Unhappy timing

Those bears who feared that a disastrous year for car and food importing would more than destroy whatever gains Tozer Kemsley & Mill bourn might make elsewhere have been fully vindicated so far. The group's timing could hardly have been less bappy. Ahead of the oil crisis it was looking for BMW sales of around 15,000 this year and ordered accordingly, but now it thinks it will be lucky to top the 6,500 mark. On the food side the story is similar, with housewife resistance to highly-priced goods proving more formidable than TKM group has been led to carry the cost of substantial lines of stock and a considerably expanded sales capability. Both businesses have thus suffered losses and TKM is not now expecting the automotive interests to recover during the present lull.

Tbat said, however, the worst at least seems to be past. By the end of this year car and food stocks should have been reduced to manageable proportions and financing costs should be down proportionately. The early part of next year should see both operations back into profit.

At the same time the rest of the group appears to be holding up to expectations well. The timber interests of Price & Pierce are, admittedly, slowing, but the bulk of the business is in pulp where the market remains firm and profits have been rising strongly. Demands on the international finance arm, far from easing with world trade, have expanded in line with inflation-fuelled needs for further trade finance. BTE merchant bank has again exceeded expectations, and although consumer credit will make a negligible contribution this year, its progressive build-up is expected to bear fruit next year.

In short, while TKM is unlikely to pull back far enough in the second half to match last year's £2.4m, it should be usefully ahead of further recovery into 1975, all being well. Meanwhile, the six year growth record will have been ended, and whether TKM can now justify the premium rating implicit in a prospective p/e of over 6 (assuming profits of £3.25m) with the shares at 28p is questionable.

Interim: 1974 (1973)
Capitalization £73m
Sales £147m (£191m)
Dividend gross 0.83p (0.73p)

APE

Inflation damage

At the interim Amalgamated Power Engineering is demonstrating how inflation can ravage anything other than open-ended cost estimates. The results cover orders taken in late 1972 when many customers would not accept price adjustments clauses.

APE built its own inflation estimates—around 10 per cent—into contract prices but, given an average completion time of 12 months, this obviously proved to be optimistic. So, price adjustment clauses have been the order of the day for the past nine months and it is no surprise that APE is currently refusing to accept any contract over two years, whereas previously it was happy to take business up to five years.

Meanwhile, there are some further inflation-hit contracts to come through and the second half looks like being well down on the comparable figure of last year. However, margins should recover next year and APE has no shortage of work. Orders from the Middle East alone for diesel engines, pumps and turbines account for around 80 per cent of present capacity and £1.5m of new plant coming on stream shortly should help remove bottlenecks. That leaves shortage of outside supplies such as castings as the chief constraint on output.

This is also adding to APE's work-in-progress burden. Though typically, stock is turned over twice a year and progress payments ameliorate the burden, the current need to provide around £1m of additional stock finance every six months is causing concern. Assuming earnings of about 10p a share to be the floor, against 17p last year, the shares at 27p, where the prospective p/e ratio is around 21, could show recovery relative to the market.

The capital goods sector looks more promising than some at this stage, and APE is helped by a yield of over 15 per cent.

Interim: 1974 (1973)
Sales £14.5m (£12.75m)
Pre-tax profits £0.63m (£1.24m)
Dividend gross 1.57p (1.57p)

A liquidity problem for Mr Lever

Much discussion has taken place in financial and political circles of suggestions that the Government will soon establish a banking institution, under official auspices, to supply medium and long-term fixed interest finance to industry.

The idea is particularly associated with Harold Lever, Chancellor of the Duchy of Lancaster. Reaction has been mixed. Some City men have given the proposal a cautious welcome, while others have suggested that it might be a Trojan horse for more public intervention in banking.

The proposal has been made more topical and urgent by the difficult financial problems facing industry. But although there has been a tendency to confuse them, there are two distinct issues requiring different answers.

The first is the availability of long-term finance for industrial companies. Normally it is possible for them to issue debentures or to increase their equity capital by rights issues. But these two routes are not now open.

The collapse in share prices has made it unwise to increase equity capital because it is prejudicial to existing shareholders. Equally, high rates of interest and the uncertainties of inflation have destroyed the market in new long-term fixed-interest finance.

The risks to both borrower and lender are too great.

The drying-up of long-term finance predates the Stock Exchange decline. It is, therefore, of longer standing than the second main problem, the pressing shortage of company liquidity.

Liquidity crisis is quite different. It arises because companies have in the past two years greatly increased their short-term borrowings and are now bamboozled by unbalanced capital structures and high interest charges.

The three-day week, the downturn in demand and price controls have also severely eroded corporate profitability. The result is that not only are companies reluctant to borrow more, but also banks are afraid, in some cases, to lend.

In the words of *The Bank of England Quarterly Bulletin* there are "prudential" constraints.

If long-term finance were once again available this would help alleviate the short-term liquidity crisis, because it would enable companies to restore a better balance between their long and short-term obligations and between their equity shareholders and their creditors. But this is the only important link between the two problems.

The Lever bank would not, therefore, in itself be directly useful in easing the liquidity crisis. The amounts involved demonstrate this clearly enough. Over the weekend Mr Lever put forward the figure of £1,000m as the capital of the bank.

Clearly, not all of this could be lent out immediately. Yet the most widely quoted estimate of the corporate sector's financial deficit this year is £3,000m.

But what about the suitability of the Lever bank as a method of relieving the long-term problem? Would it be either feasible or desirable to set up a bank of this kind, as for any bank, is to obtain finance. The Government has three options—to sell government stock, to raise the money supply or to borrow from abroad.

It should be unnecessary to catalogue the drawbacks of each of these methods as they are sufficiently obvious to anyone observing or working in financial markets.

The trouble is that, if his public statements are to be believed, the drawbacks do not seem to have occurred to Mr Lever. Over the weekend he said: "If you ask where the money will come from it will come partly by the replacement of money, which traditionally went into industry, which now gets deposited on a short-term basis elsewhere."

There are two confusions here. The first is that Mr Lever seems not to realize that all deposits are ultimately matched by advances to industry or government (or the personal sector). It is, therefore, unclear what the little word "elsewhere" means.

Mr Lever may be thinking of such things as certificates of deposit—but these are merely instruments to enable banks to smooth out their lending and borrowing operations. The lending and borrowing is to and from consuming and producing agents in the economy.

The second is the apparent belief that it is possible to create new short-term funds. This is not so—unless the Government is contemplating an increase in the money supply of mammoth proportions.

If the Government sells short-dated gilts and then uses the funds to set up the bank, the price of short-dated gilts will fall and the rate of interest throughout financial markets will rise. This will discourage companies from borrowing as much as they do at present from conventional private sources.

They may borrow more from public sources—because, of course, Mr Lever's bank would exist by then. But there is no way in which the net availability of funds can be increased. Two and two make four. You can change the numbers to three and one—but they will still add up to four, not five.

Mr Lever might say that he would be transferring funds from the short-term to the long-term market. But what, then, about the liquidity crisis which is essentially a short-term problem?

There is one more possibility—that the Government will request (or instruct) banks to lend to companies at subsidized rates of interest, in the same way that they do at present for Export Credits Guarantee Department loans and to the shipbuilding industry. But then there could be no disguise of public intervention.

The banks would not know which companies to lend to and would have to await instructions from the relevant minister and his civil servants. This is a situation which is already found in Italy, a country which presents a special case of financial disaster not usually thought desirable to emulate.

Tim Congdon

Government policies add to builders' worries

The building industry has cried gloom, doom and despondency for so long that when, as now, it really finds itself in a large-scale slump, understanding by the public, its interest dulled by constant propaganda, is perhaps less acute than it might be. Only where the crisis impinges directly—in housing—is the public fully aware of the gravity of the situation.

As winter approaches, the building and civil engineering industries are clearly heading for one of the worst patches they have experienced since World War Two. House-building has reached ludicrously low levels, industrial and commercial construction face a continuing slump, road building is in a state of virtual paralysis and materials manufacturers are cutting back on production and closing down plants.

Hardly the most propitious moment then for a debilitated industry to debate rationally with the Government about profound structural changes for the industry. Building leaders are waiting with trepidation for Queen's Speech, for two out of the three main proposals likely to figure in that programme are total anathema to the industry and the third will be accepted only with reservations.

The least controversial item is the Government's commitment to tackle "the lump", decasualize the industry and create a stable, permanent workforce. There still remain some diehards who see any control of this type as an

affront, but more and more builders are coming to the conclusion that there is a sort of Gresham's Law in the industry which dictates that bad labour drives out good.

While the industry may be prepared to make concessions on the labour front it is likely to fight tooth and nail to obstruct the implementation of the two other measures which rank high in the priorities of Labour Party theorists: the public ownership of development land and increased state participation in building itself.

Behind both they see what they consider to be the dead hand of local authorities. The Government's proposals on the nationalization of development land, outlined in a White Paper in September, are a politically astute response to the public clamour, growing in intensity since the beginning of the seventies, for a curb on the speculators.

Quite simply it is proposed that local authorities should have not merely the right but the duty to acquire all land required for private development at current use values—ignoring potential increases in value from development whether it be housing, commercial or industrial. With local authorities as the socially responsible intermediary it is intended that development should benefit the community rather than line the pockets of the landowner or developer.

Having acquired the land the authority will then normally retain its freehold, enabling the community to realize the development value by granting leases to builders and property companies at the full market rate.

The logic behind the scheme is unimpeachable. What builders fear is that in the translation from theory to practice the system will misfire. Bureaucracy will slow down the whole process of bringing land to the market and the result will be a scarcity of suitably located, realistically priced acreage for development.

The third feature of the Government's expected programme—the extension of public ownership in the construction industries—is a shadow which has hung over the industry for years. Where builders are at a disadvantage in the debate is in not knowing precisely what the Government has in mind. There would appear to be several possible strategies which could be alternatives or could be used to complement one another.

First the Government might take a significant stake in one or more of the major building companies, Wimpey for example, or set up its own corporation to compete with private builders. Alternatively it might seek a more diluted participation in a larger number of companies.

The difficulty with all these approaches is the size and diversity of the industry—a jumble of 80,000 firms, mostly of small or medium size. Control of Wimpey might give the Government the largest single stake in British housebuilding, but even Wimpey controls only about 5 per cent of the market.

Instead of these head-on measures, builders expect a more roundabout approach—beefing up of local authority direct labour building departments. Over the years the industry has expended more energy on this subject than on any other, pointing to what they see as the inability of local councils to get the job done in reasonable time at reasonable cost.

Malcolm Brown

Funding oil deficits: start of a more difficult phase

The excuse for returning to the now omnipresent problem of oil money flows is twofold—first, to analyse where the members of the Organization of Petroleum Exporting Countries are investing their surpluses and, secondly, to point out the difficulties of international financial recycling of oil funds for anything but the relatively short term.

Recent "guesstimates" place the combined current account surpluses of the OPEC nations for 1974 at about \$65,000m, which would bring their financial assets up to a level of about \$80,000m by the end of the year.

However, it should be noted that with the export prices of goods from industrial countries soaring (eg, United States export prices rose by 28 per cent between the second quarter of 1973 and 1974), this surplus could be several thousand millions of dollars lower than \$65,000m—but still big enough to break the system, if not now, then later.

During the first six months of 1974, initial reported international reserves of the OPEC nations were \$17,500m, of which \$3,500m was invested directly in New York (more than half of that accounted for by Venezuela), \$2,100m (in sterling) in the United Kingdom and nearly all of the rest placed in the Eurodollar market, mainly in London, although with a heavy bias towards the branches of United States banks.

By the end of September, total OPEC reserves had risen by about \$28,000m (exact figures are not yet available) with reserves currently rising at about \$4,000m-\$4,500m a month.

Of the total increase in sterling holdings of £884m between December and June (£1,114m from September, 1973, to June, 1974) the bulk appears to have gone into Treasury bills, government stocks and deposits with local authorities, with surprisingly little being placed with the United Kingdom banks in the form of sterling bank deposits.

Over the past few weeks, the pattern of OPEC flows has begun to change with a significant pick-up in the rate of inflows into New York, even though the United Kingdom appears to have remained deposited in the same old pattern of behaviour of reserves.

Up to the end of September the inflow of funds into New York was a little under \$7,000m, which means that the flow of funds in the third quarter was as big as in the entire first half of the year.

This suggests that the relative proportion of funds being deposited in the Eurodollar market has declined, even though banks in that market have still taken in large amounts of deposits. Also, Japan borrowed \$1,000m directly from Saudi Arabia in September and it is likely that these types of transactions will continue outside normal market channels.

Traditional

On the basis of this trend by the end of the year OPEC reserves will have risen by \$40,000m-\$45,000m, with the difference between this figure and the current account surplus being accounted for by special inter-government loans from the oil producers (as in the case of lending to state enterprises in Western Europe), grants to less developed nations, prepayments for goods, real estate acquisitions (such as the recent purchase of St Martins Property Corporation by the Kuwait Investment Fund) and equity investments (eg, the partial purchase of Burpp by Iran).

Why then have the oil producers chosen these particular patterns of investments? Perhaps the simplest and most reasonable explanation is that they have adhered in the main to their traditional investment outlets.

Given the increased scale of the oil payments and the sheer size of the funds to invest, against a background of difficult communications and limited manpower, it is hardly surprising that the producers continued to do what they had done in earlier days. The United Kingdom has long been a favoured home for investments from Kuwait, Nigeria and the Arab emirates and this is now standing up in very good stead.

However, an equally important development in international money flows was a \$14,000m increase in international lending by United States banks in the first seven months of the year after the removal of the capital restriction on the United States balance of payments in late January.

Almost \$8,000m was lent to the developed nations, with Japan receiving \$4,400m and the United Kingdom almost \$1,000m. Also loans by United States banks to the developing nations (Brazil, Mexico and so on) amounted to \$3,000m.

After four years of capital controls, United States banks took full advantage of their new freedom and immediately re-established themselves as an important force in the international financial market, rather than being forced to work through their overseas branches in the Eurocurrency market.

Eurodollars

This flow of money from the United States at one remove helped to fuel the Eurodollar market and enable banks to increase Eurodollar loans. For example, loans from the United States to Japan enabled that country to pay for its oil imports with the oil producers then choosing to deposit those additional dollars in the Eurodollar market, thereby expanding the balance sheets of Eurodollar banks.

Initial publicly announced Eurocurrency credits in the first nine months of 1974 totalled \$24,000m, with a large proportion being channelled to industrial countries.

Thus, the basic picture which has emerged so far in the past nine months of 1974 is that, mainly because of bank lending, most advanced industrial countries (and many developing countries) have been able to finance their balance of payments deficits in large part by borrowing rather than selling their international reserve assets. The question is what happens next?

What is often forgotten in the debate about oil money flows is that unless the OPEC nations re-learned funds to the oil-consuming countries in amounts sufficient to cover any balance of payments deficits, then additional oil payments have to be effected either through the sales of reserve assets or the countries have to borrow from other quarters.

Unfortunately, banks are finding it difficult to take to additional deposits, with a few banks already refusing oil dollars and with many prime United States banks bidding for deposits at below the market rate. Simultaneously, the rate of increase of international bank loans either from the United States or from the Eurodollar market has fallen off and it would be optimistic for deficit countries to look for more loans from the banking system.

For these reasons more OPEC funds are being channelled into the United States Government securities market and this pattern can be expected to intensify. Unless, of course, if all the additional funds are invested in these markets and the United States Government does not lend, then deficit countries must sooner or later start selling their reserve assets to finance their payments deficits.

Even valuing gold at the market price, world reserves other than for the United States and the OPEC nations are about \$150,000m. Moreover, these reserves are unevenly distributed, so that it is clear that would not be long before some countries simply run out of reserves to pay for their deficits.

We have had the easy stage of oil money recycling, with banks being able and willing to lend to many deficit countries, but this is nearing an end. The basic problem is who is to do the needed lending when there is at present no end in sight to the massive surpluses of the OPEC nations? The United States cannot and will not underwrite all deficit nations without limit and while an International Monetary Fund lending facility will be of great help in time to work out permanent solutions, that institution is in no position to lend indefinitely with no likelihood of being repaid.

What is clear is that the figures bandied about on the future level of OPEC reserves rising to hundreds of thousands of millions of dollars are simply extrapolations and it is difficult to imagine how these payments can be met; and it only needs to be borne in mind that the entire United States money supply is less than \$300,000m.

Geoffrey Bell

Business Diary: Mr Healey turns a phrase • Blank check

is Healey, whose fluctuating is on the EEC have puzzled lers over the years, was iding distinctly pro-Euro-1 at Monday's council meet- ing of finance ministers in embour.

heaped praise on the munity's loan scheme to cle revenues siphoned off irab oil-producers and pro- d an interesting turn of as when asked where id would stand as a guaran- of the loan given a post- vandum withdrawal from EEC.

gesting that Britain's tal obligations would mably then lapse, he added like all politicians, he dis- hypothetical questions— ally when they involved allure of a policy to which government was committed.

is, renegotiation with a to remaining in.

sentiment is not novel: Callaghan said in his key 1 speech that successful otations" would be a firm for continuing British ership" . . . but that was a the recent Labour asa on consulting the a.

ley's two open press brief- were much appreciated of clear exposition and ble comment. He even some laughs, notably be asked an adviser with- vering his voice what of that "bloody commit- in the Commons was—the



Hollywood

"The union says that if we grant them the pay increase of 40 per cent they might be able to mount the cash flow rescue operation we need."

Exercise

Blank Company Limited yesterday issued its first report and accounts since 1968—and they show that profits are still precisely nil, just as they were six years ago.

It was not a victim of the liquidity crisis, however, but all part of an accounting exercise by City printers Burupp, Matthews, assisted by the Stock Exchange, the Issuing Houses Association and accountants Deloitte & Co. Blank is a fictional corporate entity devised by Burupp to aid British publicly quoted com- panies in drawing up their annual report and accounts with the maximum disclosure of in-

formation to shareholders. It is described as a blueprint for future company reporting.

From the shareholders' and financial analysts' point of view, Blank is truly a model company. It discloses just about every conceivable piece of information about itself that could be required by the 1948 and 1967 Companies Acts, as well as by the Stock Exchange Listing Agreement and the statements and proposed statements of Standard Accounting Practice. For the benefit of company finance directors and secretaries there is a commentary on the Listing Agreement as well as on the City Code.

What about the workers? Blank has not forgotten them and there is a specimen copy of a set of employees' accounts on the EMI format. Dull

accounting terms such as "depreciation" are being re-examined in everyday budgetary terms: "as a prudent measure we must put aside enough money to cover the decline in our buildings and plant during the year."

To make sure it is up to date, Blank has also presented its accounts on an inflation-adjusted (current purchasing power) basis, too.

The exercise is aimed at the student population as well as at company executives, although this time they will not get a free publication as they did in 1968. The cost is £3.50 a copy and Burupp reckons it has to sell 9,000 at that price just to break even. There's no accounting for what inflation will do these days.

Jaguar sign

One of the most controversial building points at the Earls Court Motor Show is Jaguar's stand. Almost the entire stand area—strategically sited in the centre of the ground floor—is taken up with a large structure which completely hides the company's exhibits.

Rival manufacturers are extremely critical of this "show within a show" approach. They argue that if every manufacturer adopted it visitors would be confronted with a series of faceless enclosures instead of the present eye-catching displays.

outward sign of the work of Jaguar's new design team led by the company's former FR chief, Bob Berry.

Until Berry's appointment a few months ago, British Leyland's prestige car producer did not have a marketing department. After that he could sell the whole of its production several times over, so why bother with marketing?

But times are changing. Jaguar are involved in an expansion programme which will double their present output and, as Berry puts it, "we are now marketing our cars with an aggressive attitude which is entirely new to Jaguar. Our stand is only one of a number of new ideas we shall be trying out in the coming months."

Whatever the critics say, Business Diary's man at the Motor Show found that the air conditioned, dehumidified, Jaguar room provided the only practical setting for a quiet discussion—and that is just what the genuine buyer is looking for in the congested and entirely inadequate facilities available at Earls Court.

While normal life in Scotland grinds daily nearer to a complete halt because of strikes, one man at least has found a way of putting those inconveniences behind him. John Boyd, Scottish executive member of the Amalgamated Union of Engineering Workers and a candidate for that union's general election, has gone on a union delegation to Egypt. The union's executive yesterday deferred all Scottish matters until his return.

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe or purchase any shares.

UNISEL GOLD MINES LIMITED

(Incorporated in the Republic of South Africa under the Companies Act 1926, as amended.)

Authorised R28 000 000	Shares of no par value	Issued R28 000 000
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Application has been made to the Council of The Stock Exchange for the whole of the issued share capital to be admitted to the Official List.

Particulars relating to the Company are available in the Exchange Telegraph and Moodies Statistical Services and copies of the statistical cards may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 6th November 1974 from:—

UNION CORPORATION (U.K.) LIMITED Princes House, 95 Gresham Street, London, EC2V 7BS	JOSEPH SEBAG & CO. 3 Queen Victoria Street, London, EC4N 8DX and 6 Bruton Street, London, W1X 7AG
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FINANCIAL NEWS

Overseas stimulus to Lankro sees half-year profits take off

By Ashley Drucker
Having successfully met the radical change in world chemical markets last year by lessening emphasis on bulk chemicals...

The interim dividend is raised from 7.45p to 19.4p.
The pattern in the preceding 12 months' upswing was that the main impetus (some 65 per cent) came from increased earnings from exports...

First-quarter earnings from overseas sales this time round were "exceptionally high".
Before determining the latest trading profit of £1.5m (against £959,000), the directors found it necessary to charge some £450,000 (against nil) towards the increased liabilities of the pension fund...

Profits slip leaves D Charles 23pc down

In spite of a reasonable start to the year, the David Charles group of building contractors and property developers has ended 1973-74 with a 23 per cent fall in taxable profits to £2.84m and is cutting the dividend to 8.2p adjusted for scrip, to 1.91p.

Stock markets

The stock market moved uncertainly yesterday with share prices steadier for most of the session but drifting lower at the close as business died away.
A successful first day's trading in the shares offered by rights to shareholders in Commercial Union helped the market at first. Also encouraging a more optimistic note was the absence of the profit-makers seen on the previous day...

Commercial Union rights off to a strong start

Organisation, Glaxo Holdings, Fisons and some other United States orientated shares.
A firm feature once again was Read International 2p up at 170p with trading results due next Monday.

Barclays Bank and Lloyd's Bank edged forward. Among the secondary bankers, there was a good recovery in Slater Walker Securities (4p up at 45p), with some quarters taking the view that last week's setback—in the wake of the suspension of Jessel Securities shares—had been overdone. Also firmer yesterday were Hambro's Bank (5p up at 83p). But hire purchase shares looked unsupported—Mercantile Credit dipping to 27p, United Dominions Trust down to 22p and Wagon Finance easier at 24p.

Hawker Siddeley (190p) regained a few pence but little interest was shown in the other major engineers. Scatter price changes among the second liners included minor gains in Random Simms and Jefferies and in Burgess Products. But Taylor Palliser and AFV Holdings were among those to close lower.
Last week's gains in shipping issues brought in the profit-takers again. Furness Withy (125p) and P & O Deferred (77p) turned down.
Oil shares found ready support in London, following Wall Street's overnight advance.
Equity turnover on October 21 totalled £25.2m (10,333 bargains).

Paribas denies exchange losses

Cle Financiere de Paris et de Pays-Bas, the holding company of the Paribas banking group, yesterday denied rumours that it had suffered "important" foreign exchange or commodity losses.
The rumours are absolutely groundless, said M. Jean-Claude Tichard, the bank's secretary-general.

Chrysler US loss \$8m

The continuing difficulties being experienced by United States car makers is shown up by the third-quarter return from the Chrysler Corporation, which saw the company turn in a net loss of \$8m (£3.47m) compared with a loss of \$17.4m. This came from sales of \$2,800m (\$2,300m) and is a per share loss of 15 cents (34 cents local).

statement that it improve profitability is conducting a cost reduction programme in which fixed costs are being reduced by combining and reorganizing departments for better cost control and improved efficiency. Inflation, tight money and consumer fears of a recession had hit the company's results.
This year first-quarter earnings were \$1.6m; this rose to \$29.4m over six months, but fell back to \$21.4m in nine months.
The company is reviewing capital expenditure plans and deferring programmes.

Silentnight takes a knock and omits mid-year payout

Expansion plans of Silentnight Holdings, Lancashire manufacturers of drans and upholstery, suffered a setback, albeit possibly only a temporary one, in the six months to August 31. Profits dived in, and the interim dividend is being omitted.
For some time before that the group had feared itself up for expansion with the purchase of factories and plant, but then the business went sour. Demand, especially on the upholstery side, fell away. The group was directed with the cost of its expansion with ever-increasing interest rates, hire-purchase became tighter and there was also the three-day week.

British Dredging auditors qualify accounts on Avonmouth subsidiary

By Our Financial Staff
After a disappointing year—the second half produced a loss of £17,000, against a profit of £458,000—Mr D. Mistry Bowles, British Dredging's chairman, expects the group's position to improve this year, although he is extremely cautious about prospects.
The accounts, meanwhile, contain qualifications by the auditors on three counts. One is that the company has exceeded the borrowing limits imposed by the trust deed for the 71 per cent debenture stock, which at present could be considered a short-term liability. A meeting will be held on November 14 to consider proposals to rectify the situation.
The other items concern the Avonmouth subsidiary, which was acquired as from October 3, 1973. In November, 1973, an installation carried out by Avonmouth failed under test and an investigation is being conducted to find the cause. It is not known who will be liable for the consequences of the failure. No provision has been made in the accounts.
Finally, the auditors were unable to express an opinion on the profit and loss account of the subsidiary. The records to July 31 were insufficient for the purposes of the audit.

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Latest dividends

Table with columns: Company, Dividend, Yield, etc. Includes entries for Anglo Saxon, Anglo-Spanish, Anglo-Siam, etc.

Comfortably the best year at Judge International

Achieving comfortably record profits for the third year running, Judge International, the second largest holloware group in the country, fulfils the confident interim expectations.
But for the year ahead, though order books remain strong, the outlook is somewhat muted. The chairman says it is on the economic situation as with most industrial groups.
For the year to June 29 pre-tax profit climbed 30 per cent on turnover 32 per cent better at £7.8m. At halfway profits expanded from £290,000 to £400,000. After interest up more than threefold from £91,000 to £277,000, earnings per share came out at 6.8p compared with 5p. Figures

this time round includes a full contribution from Tucker Plastic Products (about £96,000 net) against five months in the preceding year and six months of Sartel SA (acquired on December 31). The total dividend is raised from an adjusted 2.73p to 2.75p.
Meanwhile, the board states that orders received by the United Kingdom sector in the first 13 weeks of the present term were up 16 per cent and invoiced ale 24 per cent.
Generally, all sectors achieved big increases in sales and profits. In housewares, its share of the markets continues to grow. Tucker, the Canadian acquisition, stepped up turnover by 38 per cent.

Mr Lloyd Ressler, chairman of Judge International; large increases in sales and profits.

Mining

CAST dividend found wanting

Disappointment that Consolidated African Selection Trust felt unable to raise its dividend total for the year above the 5.1p level knocked 4p off the share price in 37p yesterday.
It was this rather than the fall in earnings from 9p to 7.4p which caused the damage. That some analysts had been looking for as much as 13p a share can be explained by their false assumption that CAST pursued the same accounting policy as its Selection Trust parent—the South Bay operation being one example with ST bringing in its attributable earnings, while CAST is apparently awaiting a maiden dividend from Selco Mining, South Bay's Canadian parent.

The effect of all this is that the turnover of £8m (against £6.5m) the pre-tax return slumped from £539,000 to £86,000 after interest up from £74,000 to £175,000.
But the company's fortunes are now improving, with the bedding side up to budget and upholstery (after an unproductive period) recovering. The group has tightened its control of stocks, which are now down by about one-third, and looked at its borrowings. It reports a healthy cash position. This could be improved further by a capital profit on a sale of its now-closed Dako factory. There are said to be several potential purchasers of it.

Dissident moves unlikely to halt removal of Land & General directors

In spite of severe barrelling from over 100 shareholders in Land & General Developments, the more by Napet Securities (which controls L & GD) to remove at yesterday's special meeting five of the seven directors seems certain to succeed.
The dissident campaign was led by veteran rebel shareholder Mr J. Rowland Jones, but Napet accounts for 75 per cent of the votes in spite of holding only 10 per cent of the shares.
Yesterday the Napet resolutions were defeated on a show of hands. But in each case Napet called for a poll, the result of which will be declared tomorrow.
The two remaining directors of L & GD, Dr P. McLaughlin and Mr J. Hickman, are the Napet nominees. Apart from saying there would be a reappraisal of the company, they would not comment on Napet's proposals for L & GD.
Napet, formerly controlled by the late Mr Clive Rabpal, who was killed in an air crash in 1971, is now controlled by his widow, the former model Penny Brahm. After successfully contesting a will in which she was left one shilling, she was awarded part of the fortune, which included Napet.
The five directors who were being voted out are Messrs P. Edgington, chairman, J. Williamson, A. Goodens, J. Skelsey and H. Arnell.

Hunting Assoc jumps 18pc in first half

Hunting Associated Industries, which takes in aviation support, engineering, technical marketing, survey consultancy, etc, have made a good start to 1974.
Profits in the first half to June 30 bonded to peak levels and the group looks to be well set for fresh records for the full term also. Admittedly growth has slowed on last year but the increase this time is still 18 per cent to £1.06m on the year. Turnover up almost 54m to £18.16m. The attributable works out to £547,000 (£485,000) and earnings per share to 3.25p (7.35p). The dividend is up from 1.43p to 1.5p.
After the political upheaval in Portuguese Africa the board have provided £250,000 against the administration of the South African survey and consultancy subsidiary in that area. Meanwhile all divisions are contributing well and the full term is expected to show a satisfactory outcome.

0.50p net. Earnings a share are 0.97p, against 2.68p.
At half time, profits eased from £52,000 to £50,000 on the trading level, and from £30,000 to £23,000 at the attributable.
The gross goes ahead from 0.32p to 0.36p.
Over the whole of last year, taxable profits went ahead from £328,900 to a record £319,000 on turnover of £2.67m, against £2.18m.

Building societies propose merger

The directors of the Hinckley & Country and the Luton Building Societies are recommending a merger of the two societies.
Both the societies were founded in 1853. The Hinckley has assets of £21m, and the Luton £14m.
In a reorganization, Hill Samuel Investment Management is to take over the marketing administration of client funds, HSIM has been developing its own coordinated management, investment and marketing structure.

Scrimgeour earnings nearly decimated

Illustrating the grim times experienced by Throgmorton Street, taxable profits of J. & A. Scrimgeour, a leading broker, fell in the year to May 31 from £31,000 to £54,000. This was after providing for net losses on trading investments of £204,000 (£44,000). The net profit retained emerged at £35,000, against £305,000, producing earnings a share of 0.12p (1.02p). No dividend is again being paid.
Mr G. C. Vaughan-Lee, chairman, reports that although the parent managed to hold the rise in costs to 3 per cent, excluding profit-sharing, it had no defence against periods such as September, 1973 and April, 1974 when activity was at such a low level that it was unable to cover overheads. He sees little prospect of an early reversal of the trends which are, injurious to the group's business, but he points out that the asset position is strong.

American Shell leaps ahead

Still reflecting the higher prices of domestic crude oil, American Shell Oil (United States) soared from \$43.6m to \$216m (£93.9m), or from \$1.24 to \$3.21 a share.
This brings the total revenue for the nine months to \$462.3m, against \$253.3m (\$6.87 against \$3.76 a share). In the second quarter earnings rose by 39 per cent. The company has 45 dividend notches have been received to ensure that the proposals are then carried.

N Kalguri disputes Gt Boulder claim

A statement, from Great Boulder Mines that North Kalguri Mines had defaulted on its contributions to operating costs, was body denied yesterday by North Kalguri's chairman, Mr G. G. Bennett.
Great Boulder claimed that North Kalguri owed it \$A920,000 in respect of the Scole and Carr Boyd nickel-copper mines whose production was sold to Western Mining Corporation. As a result, the whole of the operations now belonged to Great Boulder.

Business appointments

Deputy chairman steps up at ANZ Banking Group
Sir Alexander Ross, chairman of Australia and New Zealand Banking Group, who is to retire next June, will be succeeded by the deputy chairman, Mr Angus Macdonald, for a limited period.
Sir William Mather, chairman of Mather and Platt, is to be the new president of the British Mechanical Engineering Confederation.
Mr K. P. Bennett has been made managing director of Harris Lebas.
Following his appointment as chairman of United Dominion Trust, Mr Leonard Mather will be resigning the office of vice-chairman of the Midland Bank but remains on the board. He has also resigned his directorship of subsidiary and associated companies of the bank.
Mr Rodney Sellers has joined the main board of British Vita as financial director. He was previously financial controller. Mr George Blunt was appointed managing director.
Mr Ian Lockwood has been made a director of Gilbey's and becomes head of marketing in IDV Export's broad development division.
Mr Denis Randolph, executive deputy chairman of Wilkinson Match and chairman of Wilkinson Sword, has been elected to the Council of the Institute of Directors.
Mr Walter Irving, works director at Burco, has been named as managing director following the retirement of Mr Bartley Howarth.
Dr George Coppman is the new chairman of Julian Gibbs Financial Services. Mr Richard Cockman becomes chief executive.

Saville Gordon going strong

Although margins are narrow, Saville Gordon group is enjoying in some sectors, the J. J. going extremely good trading in others, and the board is looking for a first-half profit of £400,000, 56 per cent more than last year.
Mr J. D. Saville, chairman of this Birmingham-based metal and engineers' merchants, told shareholders at the annual meeting that the recovery in profits of last year was continuing.
Also, earnings were now more evenly spread over the two divisions. The board had been aiming to get away from over-investment in the last year. This has been achieved by considering increasing the engineering side.



Mr P. Edgington, chairman of Land and General Developments. One of five directors Napet Securities are seeking to remove from the board.

Pitman buys in US

The Sir Isaac Pitman publishing group has acquired Feardon Publishers of Belmont, California for \$1.63m (£200,000) cash. Pre-tax profits of Feardon for the year to June 30 last were \$269,000 and net tangible assets \$877,000. The acquisition has been made through Pitman's New York subsidiary.

Sth British Insurance

Net profits of South British Insurance in the year to August 31 fell from \$N26.88m to \$N25.37m (about £3m). Fire, accident and marine premiums rose by \$N23.1m to \$N2100.38m, while life premiums increased by \$N2997.00m to \$N2759.9m. Elsewhere, investment income rose 22 per cent up at \$N25.83m, but underwriting profit fell by 65 per cent, mainly because of the extraordinary increase in workers' compensation claims in Australia because of inflation.

Gen Electric US holding steady

Mr Reginald H. Jones, chairman of General Electric, said in Boston that he was not looking for much change in fourth-quarter profits. They should be similar to last year's \$191m, or \$1.05 per share.
Mr Jones, told the press conference that it was too early to forecast final quarter results after a net income increase of only 2 per cent in the third quarter.
"Are we not going to be up substantially", he said, "but whether we'll be slightly up or slightly down, it is hard to tell."
GE's capital spending this year would rise to at least \$650m (just under \$600m last year).

Spencer Gears

Even though interim profits of Spencer Gears rose 75 per cent to £271,000 pre-tax, Mr F. Forbes, chairman, says increases in the cost of materials and labour and high interest rates make a forecast difficult.
Turnover was up from £1.45m to £2.05m, earnings from 1.96p to 3.33p a share and the dividend from 0.86p to 0.9p.

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Deputy chairman steps up at ANZ Banking Group. Sir Alexander Ross, chairman of Australia and New Zealand Banking Group, who is to retire next June, will be succeeded by the deputy chairman, Mr Angus Macdonald, for a limited period. Sir William Mather, chairman of Mather and Platt, is to be the new president of the British Mechanical Engineering Confederation. Mr K. P. Bennett has been made managing director of Harris Lebas. Following his appointment as chairman of United Dominion Trust, Mr Leonard Mather will be resigning the office of vice-chairman of the Midland Bank but remains on the board. He has also resigned his directorship of subsidiary and associated companies of the bank. Mr Rodney Sellers has joined the main board of British Vita as financial director. He was previously financial controller. Mr George Blunt was appointed managing director. Mr Ian Lockwood has been made a director of Gilbey's and becomes head of marketing in IDV Export's broad development division. Mr Denis Randolph, executive deputy chairman of Wilkinson Match and chairman of Wilkinson Sword, has been elected to the Council of the Institute of Directors. Mr Walter Irving, works director at Burco, has been named as managing director following the retirement of Mr Bartley Howarth. Dr George Coppman is the new chairman of Julian Gibbs Financial Services. Mr Richard Cockman becomes chief executive.

Lockwoods record

In spite of the uncertainty facing the industry, Lockwoods Foods consider their long experience in canning will enable them to remain profitable and competitive.
For the year to May 31 profits before tax rose from £331,000 to £1.14m—a record return—and the dividend goes up from 4p to 4.19p.

GHP forecast

An increase on last year's £734,000 pre-tax is forecast by the GHP engineering group. In the first half to June 28 profits were 15 per cent ahead, at £418,000, on turnover raised from £4.8m to £5.3m. The dividend goes up from 3.5p to 3.65p.

William Pickles

With turnover up from £7.79m to £9.18m, the William Pickles textile group has suffered an interim fall in taxable profits from £511,000 to £474,000. On attributable profits down from £313,000 to £285,000, the board is trimming the interim dividend from 0.248p net adjusted for scrip to 0.243p.

Guest Keen loan stock decision delayed

Proposals to increase the interest rate on Guest Keen & Nettlefolds' 6 per cent convertible unsecured loan stock to 6 1/2 per cent were set back yesterday. A quorum was not present at the meeting called to approve the move, so the proposal has been adjourned until November 7. Sufficient proxies have been received to ensure that the proposals are then carried.

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FINANCIAL NEWS AND MARKET REPORTS

Commodities

Sharp rally in zinc prices

A sharp recovery in ZINC prices was seen on the London Metal Exchange yesterday with cash metal advancing 28s and three months, 11.2s. A good buy-in interest was reported following Monday's price drop to the lowest level for 15 months.

Bank Base Rates

Table listing bank base rates for Barclays Bank, FNC, Hill Samuel, C. Hoare & Co., Lloyds Bank, Midland Bank, Nat Westminister, Stan Westley, 20th Cent Bank, C. T. Whyte, and Williams & Glyn's.

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Wall Street

New York, Oct. 22.—Unfavourable news about the United States cost of living and about business drove the Dow Jones industrial average lower today after three consecutive gains. But advances closed slightly ahead of declines.

New York, Oct. 22.—Long rally taking it into the 22nd in the Dow Jones industrial average... The Dow Jones industrial average closed at 662.86, up 1.56 points from 661.30.

Wall Street continued its recovery... The Dow Jones industrial average closed at 662.86, up 1.56 points from 661.30. The S&P 500 index rose 1.25 points to 131.15.

World trade in copper at peak last year... The explosion in world demand for copper during 1973 is detailed in a new world flow table published today by the World Bureau of Metal Statistics.

UK lead consumption down 9pc... United Kingdom consumption of lead was 22,967 metric tons during August, according to latest data from the World Bureau of Metal Statistics.

Foreign Exchange... Foreign exchanges were quieter yesterday than on Monday. There was something of a reaction to the dollar's advance on Monday, but rate movements were not substantial.

Spot Position of Sterling... Sterling advanced 1/8d to 252 1/2 on the London market. The pound opened at about its overnight level, but there was an early demand for dollars and the rate fell back to 252 1/2.

Discount market... Day-to-day credit was to full supply after what was a very tight start yesterday and the houses were finally able to balance their books without assistance from the Bank of England.

The Times Share Indices... The Times Share Index rose 22.16 to 2,167.4. The FTSE 100 index rose 1.15 to 1,000.0.

Money Market Rates

Table showing money market rates for various currencies and instruments, including Treasury bills, government securities, and bank deposits.

Money market... The money market was quiet today. The three-month Treasury bill rate stood at 11.75%.

Forward Levels... Forward rates for sterling were steady. The one-month forward rate was 252 1/2.

Recent Issues... A list of recent issues of government securities, including Treasury bills and government bonds.

Authorized Unit Trusts... A list of authorized unit trusts and their performance, including the Anglo-Continental Unit Trust and the Anglo-Continental Investment Fund.

Insurance Bonds and Funds... A list of insurance bonds and funds, including the Anglo-Continental Insurance Bond and the Anglo-Continental Investment Fund.

Offshore and International Funds... A list of offshore and international funds, including the Anglo-Continental Offshore Fund and the Anglo-Continental International Fund.

Additional market data and news items, including reports on gold prices and international trade.

Council coupons fall again

The coupon on local authority veering bonds has again fallen this week. Issues were made at 12 1/2 per cent with a price of par compared to 12 per cent last week.

Du Pont offerings... E. I. Du Pont de Nemours plans to issue \$350m of 30-year sinking fund debentures and a \$150m of seven-year notes.

Eurobond prices (mid indicators) - A table showing Eurobond prices for various countries and maturities, including the UK, France, and Germany.

Canadian Prices - A table showing Canadian prices for various commodities and financial instruments.

Authorized Units, Insurance & Offshore Funds - A table listing authorized units, insurance bonds, and offshore funds with their respective prices and yields.

Offshore and International Funds - A table listing offshore and international funds with their respective prices and yields.

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Stock Exchange Prices Continuing nervous

ACCOUNT DATES: Dealings Began Oct. 14. Dealings End Oct. 25. Contango Day, Oct. 28. Settlement Day, Nov. 5. Forward bargains are permitted on two previous days.

The Driver's Coat. Rain and wind proof. Designed and tested by Jack Brabham. Fowles. Dent Fowles, Warrminster, Wilts.

H.I.E. connoisseurs' cognac. Image of a man in a suit.

Main table of stock exchange prices with columns for various stock categories: BRITISH FUNDS, COMMONWEALTH AND FOREIGN, LOCAL AUTHORITIES, FOREIGN STOCKS, DOLLAR STOCKS, BANKS AND DISCOUNTS, BREWERIES AND DISTILLERIES, COMMERCIAL AND INDUSTRIAL, FINANCIAL TRUSTS, INSURANCE, INVESTMENT TRUSTS, OIL, PROPERTY, RUBBER, MISCELLANEOUS, and SHIPPING.

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ROLLS-ROYCE AND DAMLER
JAGUAR AND FERRARI

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DAIMLER VANOH FLAS, over-1000cc...

MOTOR CARS
PHANTOM I SALOON 1929
Body by Winderover, in daily use.

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HOME IN ENGLAND
Comfortable home sought for...

RENTALS
UNFURNISHED W.1
Harrow Street, attractive 2 bed...

RENTALS
WOODFORD SQ., W.14
Well equipped, modern house...

FOR SALE AND WANTED
LUXURY BATHROOM SUITES
Its own style brings discerning...

FOR SALE AND WANTED
ANTIQUE COLLECTOR
Buy for highest prices...

DOMESTIC SITUATIONS
MOTHER'S HELP
Nanny/Mother's help required...

RENTALS
BRITISH 411 MK 3, 18,000 miles...

MOTOR CARS
JAGUARS JAGUARS JAGUARS
All Models, Choice of Colours...

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SWISS STUDENT
Commercial education and experience...

RENTALS
WINDSOR FAMILIAR HOLIDAY
Flat, close to station...

RENTALS
SUPERIOR FLATS/HOUSES AVAILABLE
and required for diplomats...

RENTALS
WINDSOR FAMILIAR HOLIDAY
Flat, close to station...

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12.00 pm, Rainbow, 12.15 pm, Lupercal...

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12.00 am, Thames, 1.20 pm, Lunchtime News...

Granada
1.00 pm, Thames, 1.20 pm, The Pilot...

Radio
1.00 pm, News, Simon Bates...

Yorkshire
1.00 pm, Calendar News, 1.30 pm, News...

Ulster
12.00, News, 5.30 pm, Rathbor...

steward
Thames, 1.20 pm, The Pilot...

Anglia
12.00, News, 1.25 pm, The Pilot...

Radio
1.00 pm, News, Simon Bates...

Ulster
12.00, News, 5.30 pm, Rathbor...

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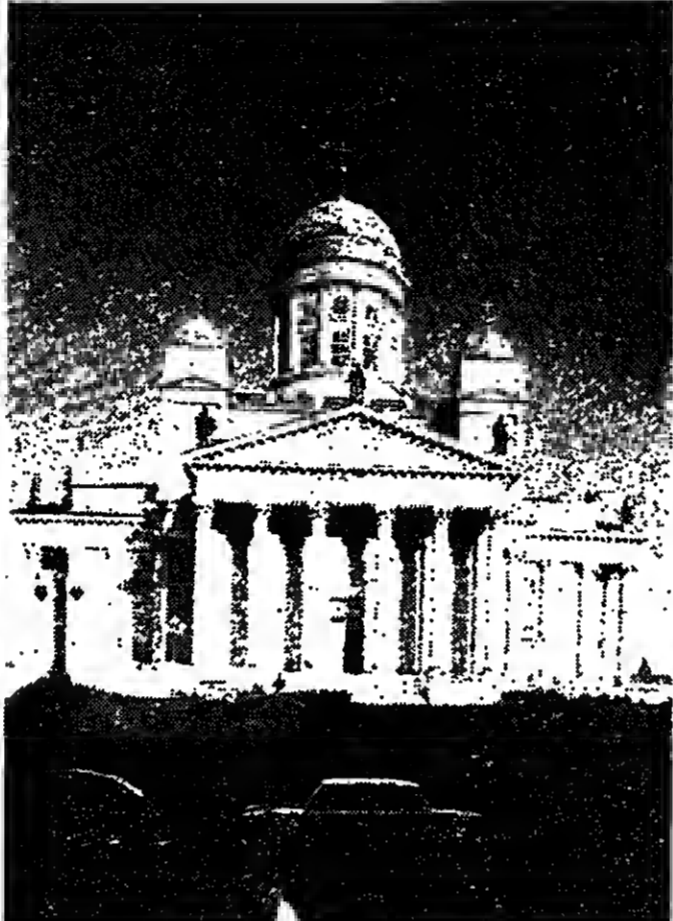
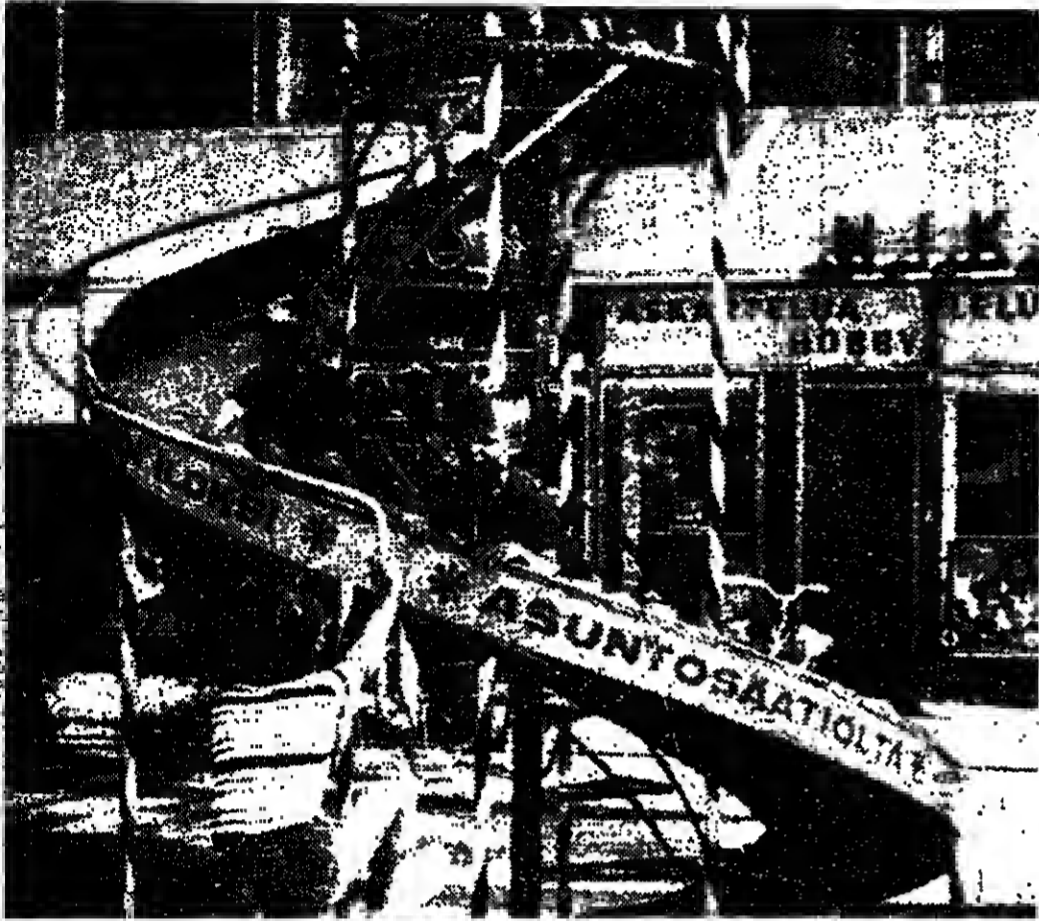
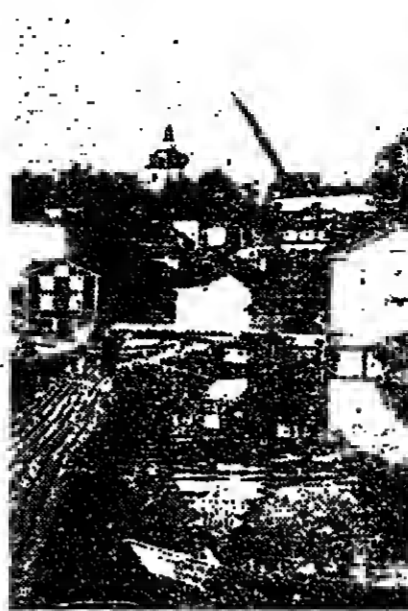
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Finland



With the prospect of playing host to the 34 other governments for the final phase of the Conference on Security and Co-operation in Europe early next year, Finland has been faced with a number of domestic crises. These have been brought about by attempts to introduce stringent new measures to curb inflation. This Special Report will examine the current political and economic position. In addition the report will look at the way in which Finland competes with the traditional exporting countries of the world by developing specialized industries producing items like ice-breakers, roll-on, roll-off ferries, oil-drilling platforms, machinery for forest industries and high-quality cruising and racing yachts. The report will also look at the more traditional side of the country and the Finnish way of life in general.



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MADE IN FINLAND BY NOKIA

Nation well placed to beat economic and energy crises

by T. R. G. Bingham

During the past three decades the Finnish economy has experienced structural changes which have far-reaching consequences. Agriculture and forestry, which accounted for 39.3 per cent of employment in 1950, now provides jobs for only about 17 per cent of the employed.

The corresponding growth has not been so much in industry, a sector which has been almost as large as in other developed countries for most of the postwar period, as in services, whose growth has been boosted by rapid urbanization. Some studies suggest that no other European country has experienced such rapid migration to the cities.

Although the importance of industry has not increased much in the past 30 years, a number of internal changes have taken place. The significance of the forest-based industries has declined, while the metal, engineering and chemical industries have expanded so that they produce for the home market and for export.

The rapid changes in the structure of the economy have placed responsibility for channelling resources on the banking system. This is not so advanced as in the larger countries of Europe, changing the ceilings and log effects of foreign competition.

Finland's banks operate in an institutional setting which is quite unlike the one found in the United Kingdom. The interest rate has been held below the market clearing level by institutional and political factors, so that the result has been to rely on the price mechanism as much as banks in other countries. The demand for credit has often exceeded supply, and the banks have had to discriminate between customers on non-price grounds.

The consolidation in banking, which is not yet complete in some of the larger countries of Europe, came to an end in Finland during the 1930s. The two largest commercial (clearing) banks tend to finance trade and industry and together account for about 85 per cent of deposits in this category.

The savings banks and cooperative banks still cater to smaller savers and farmers, even though the 1970 revision of banking legislation has meant that both of these groups, with the help of their respective central banks, can provide more or less comprehensive commercial banking services throughout the country. The

Post Office Bank also began to develop full banking services in 1970, but its recent expansion is more the result of aggressive advertising and the availability of funds.

It is this institution, rather than the Bank of Finland, that serves as banker to the Government, and it has benefited from the large budget surpluses of the past few years.

The high concentration in banking, together with the artificially low rate of interest, makes the banks competitors for deposits so as to be able to increase their market shares. So the banks tend to grant credit to customers who provide them with funds or who use their highly profitable ancillary services. This clearly puts established firms at an advantage and may sometimes make it difficult for new companies to get off the ground, but its overall impact on allocation of resources cannot easily be determined.

In Finland the commercial banks are almost continuously in debt to the central bank, which sets credit ceilings which can be—and are—exceeded, and an increasingly poor rate of return is generally charged on all of the commercial banks' central bank debt. The Bank of Finland attempts to regulate the volume of lending by changing the ceilings and the terms of the credit which it grants.

The central bank has been pursuing a tight monetary policy since the spring of 1973. With inflation above 15 per cent, the rate of interest has been negative. This has discouraged saving, with the result that deposit growth has been quite weak in real terms.

Demand for credit has been brisk, not only because of the desire to acquire housing and other real assets in inflationary conditions, but also because the demand for funds to expand production has been strong since the early 1970s. The simultaneous upswing in most of the countries of the Organization for Economic Cooperation and Development.

The commercial banks' debt to the Bank of Finland has been above the ceiling since early 1973. However, payment of penalty rates was temporarily suspended last year because of exceptional conditions engendered by a bank strike. Concern with the balance of payments deficit, which is expected to be double what it was in 1973, means that the authorities must exercise caution when shifting to an easier policy stance. Finland relies heavily on



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produces timber, ground-wood, sulphite pulp, MG sulphite paper, soft tissue, and converted tissue products. In this sector Nokia is also active in the U.K., being a shareholder of British Tissues Ltd.



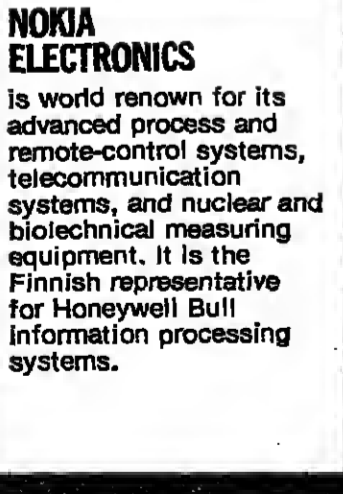
THE FINNISH RUBBER WORKS

makes conveyor and power-transmission belts, rolls and coatings, floorings, molded rubber products, polyurethane products, footwear and tyres, including the Hakkapellit winter tyre.



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MPs seek to guide radio cross currents

by Donald Fields

Broadcasting is organized to take account of the limited resources of a small market economy. Financed by licence fees from the users of 1,978,000 radio and 1,247,000 television sets, the state-owned Finnish Broadcasting Company (YLE) accounts for all the sound and seven-tenths of the television output. The remaining 20 hours of television time are hired to a private company, Mainos-TV, which for the privilege supplies a fifth of YLE's revenue.

Since its inception in 1926 the state-owned company has been a political bone of contention. The right wanted radio to be a national value. With the inauguration of television in 1958 business circles advocated a free enterprise system that would break YLE's monopoly. The left saw public broadcasting as a means of access to the media which the economics of the press and the shortcomings of their own newspapers denied them.

Within the YLE structure there is an ultimate authority, the Administrative Council, consisting of 21 members elected by Parliament. Though government control is thus avoided, membership of the council reflects the current political climate, with government parties usually in the majority, or clear divisions along traditional socialist and bourgeois lines. All leading appointments in the company are the result of horse-trading between the main parties.

In 1964 the Centre Party's nominee, Mr Elino S. Repo, was appointed director-general. His philosophy was, and is, that broadcasting should not reflect society but participate in it. The media should be open to all. By encouraging programmes that revealed social injustice, demolished sacred cows, and gave "young radicals" air time, Mr Repo incurred the wrath of the right, while the Centre Party's chairman, Mr Virolainen, bitterly rued his king-making role in the Repo appointment.

The change in the parliamentary balance of power paved the way in 1969 for Mr Erkki Raatikainen, Social Democratic Party secretary and professional broadcaster, as director-general. Mr Repo was demoted to director of radio. Mr Raatikainen quickly described himself as the Husak of YLE, conforming to standard.

He might have carried the analogy further by referring to the forces occupying Broadcasting House. The political Administrative Council and its subordinate programme councils have been tightening their grip. Needless to say, the more professional and original the programmes are, the more they are worried. At the top, even the most independent director-general would be hard put to make a distinctive personal contribution to broadcasting. Shorn of their social and cultural responsibilities, the late 1960s YLE television programmes are now hardly distinguishable from the output of the commercial company.

The logical last straw came in May, 1974 when the Administrative Council, though deferring a final decision, declared that YLE producers and reporters should be appointed on a party political basis. Any outside suspicion that this would only regularize standard practice was refuted by the vehemence of journalists' protests, outside as well as inside Finland. Wits were wondering which parties would produce the weather forecasts and sports results; the prospect loomed of a Communist Morning Service and a high Tory Workers' Corner.

Another Administrative Council appointment continuation was the latest distribution of directorates. Unable to agree on one man to succeed Mr Repo, the council settled for two: one Conservative and one People's Democrat. A similar final solution may be awaiting the vacant post of head of radio entertainment.

In communications research a Finnish strong point, Dr Tapio Varis has won international acclaim for demonstrating the cross-cultural implications for small cultures of large-scale importation of television programmes. Two academic sabre-rattlers, Professor Kaarle Nordenstreng and Professor Osma A. Wiio, concluded their work on the subject in a report to the Policy Committee last June.

Sadly concluding that in a free market economy "freedom of speech has become freedom with money", Professor Nordenstreng feels the state must step in to protect individual freedom of expression. Professor Wiio wants YLE to be turned into a BBC-type corporation; cable television should combine one public channel with an otherwise free-for-all scramble for stations to ensure "freedom of choice". Many more rapier thrusts are to be expected from these swordsmen.

Cost pressures hit printing and publishing

by Olli Kivinen

Paper may be plentiful in Finland, but it is as expensive as in other countries—ad this has created a fresh crisis for the Finnish press, which has so far survived the attack of television rather well.

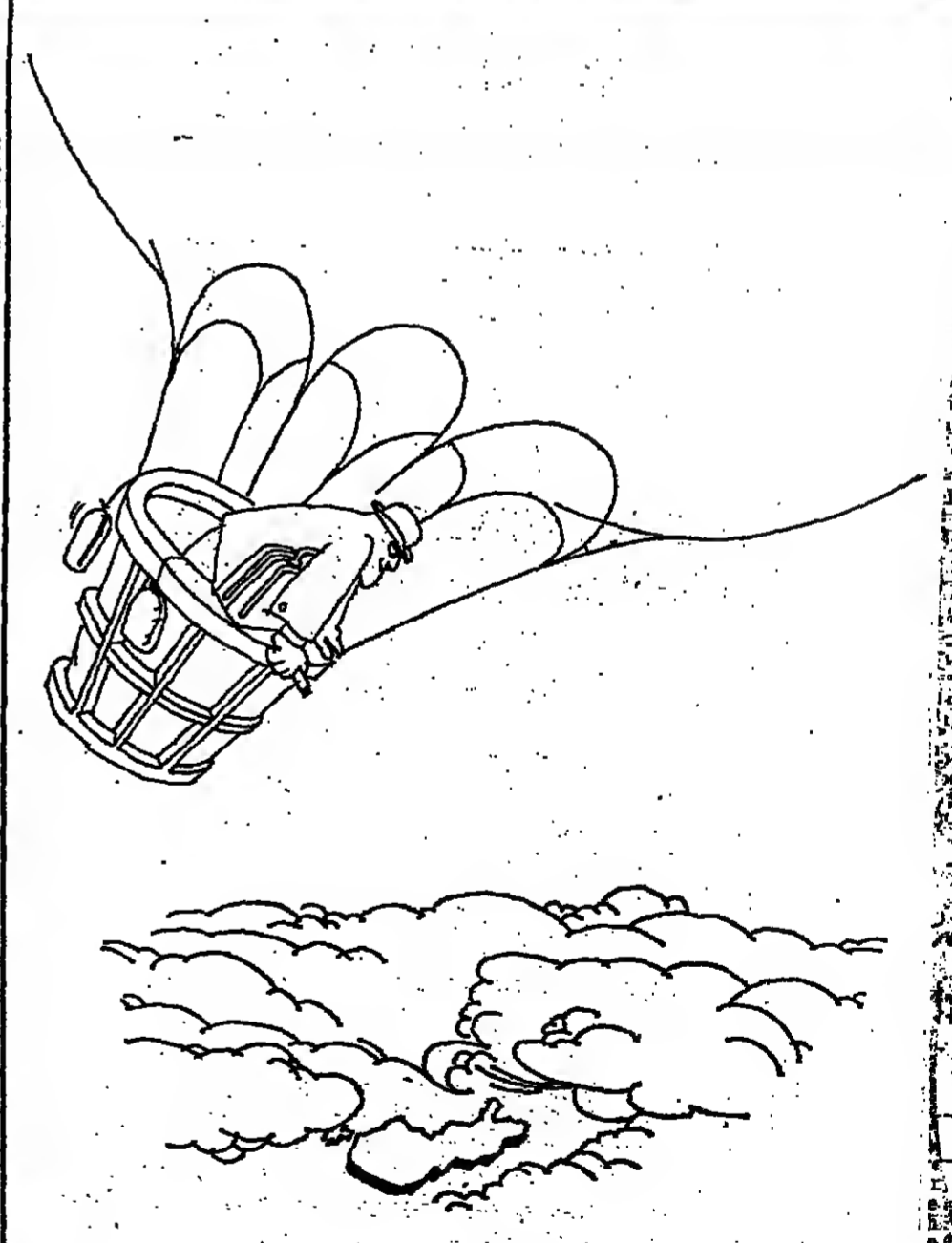
Pessimists say that the newspaper of next year will be printed on paper that costs double what it did last year. Wages, inks and distribution costs have gone up as well and this means that the total rise in costs is about 25 per cent during the current year. The figure is roughly the same for the daily press and for magazines.

The government price controls which prevented the rise in advertising fees ended at the end of August. Newspapers were able to raise their advertising rates by an average of 20 per cent at the beginning of October. But this is only a temporary respite, according to Mr Veikko Löytyniemi, managing director of the Newspaper Association. During the first half of this year the rise in advertising volume was only 4 per cent compared with last year's 14 per cent.

According to the state committee on Communication Policy, printing and publishing is the least profitable industry in Finland. During the past decade it produced a combined loss of 0.2 per cent of total turnover. This has been partly offset by government press subsidies. But these go mainly to the weak and parochial party press. All major political parties have several official or semi-official organs.

The journalistic quality of them is largely low and this in turn means low circulation and advertising revenues. There is an optimistic side, too. According to a recent research report, Finnish newspapers will invest 250m marks (50m) in new machinery during the remaining years of this century. In newspaper printing there are 50 conventional presses and 21 offset at this moment; by the end of the decade the number of offset presses will be 57 while there will be only 20 conventional presses. In computer technology progress has been rapid and no serious union problems have been encountered.

The magazine world is in the middle of a cultural competition. The Finnish magazine press is a minor miracle, since it manages to continue on facing page



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هتكتا من الامل

Political ambitions strengthen new trade opportunities

by Geoffrey Smith

For Western Europe as a whole the past 12 months have been the year of the oil crisis. Each individual country has been affected in one way or another. But Finland has suffered in a double sense, political as well as economic.

The economic effects are self-evident. With a cold climate and industries that consume large quantities of energy, but lack supplies produced at home, Finland was obviously vulnerable to the sharp increase in the international price for oil. Its balance of payments and internal inflation have suffered more than most.

Its payments deficit in the first half of this year was about twice as high as for the same period last year and its rate of inflation for the 12 months from August, 1973 to July, 1974, the latest period for which such figures are available, was 16.4 per cent high as it was.

The steep rise in oil prices has changed all that. It has more than corrected the balance, but in strictly economic terms that is not so bad for Finland as it might have been. It means that Finland has to pay for the higher value of its oil imports by additional sales to one of its easier markets.

For a time it seemed that Finland might have to divert a disproportionate share of its paper and pulp exports to the Soviet Union but now it appears that the Russians are willing to take Finnish exports of furniture, textiles and leather goods which might not have received such a ready reception on the wider European market, especially at a time of impending recession and deepening gloom.

Finland is still faced with a formidable task, which may require in effect the development of new export industries. But that can be a blessing in disguise as the Finns found over the payment of war reparations to the Soviet Union.

It would be an illusion, though, to suppose that Finnish-Soviet trade can be considered in entirely economic terms. The whole of Finland's postwar history can be seen as a delicate balancing act between East and West. Politically, psychologically and in terms of the natural flow of trade, Finland belongs to the West. Its preference is to have close ties with its Scandinavian neighbours, to be part of the wider Western European scene and to play so active an international role. But these preferences cannot be exercised without restraint because of the country's relationship with the Soviet Union.

At the end of the Second World War Finland was in an exposed and friendless condition. It had fought two wars against the Soviet Union; the first after being attacked, but the second when it took advantage of the German invasion of Russia to try to recapture lost territory from Soviet hands. It was an ill-fated venture which left Finland with the conclusion that it could preserve its freedom only if it could assure the Soviet Union that it would never be a hostile neighbour; hence the development of Finland's special brand of neutrality.

Finland has managed to establish the ties that it wanted with its Scandinavian neighbours and with other West European countries, but only by a process of intricate diplomacy that has frequently bewildered many Finns as well as the country's closest friends. But while the path has been

toruous it has brought Finland to membership of the Nordic Council, associate membership of EFTA, and now a free trade agreement with the EEC.

This last achievement was a typical Finnish exercise. The agreement was signed in July 1972, but then followed months of dispute and suspense—due partly to the devious ways of Finnish internal politics and even more so it was widely supposed, to the disapproval with which the agreement was regarded in Moscow. Then it was signed last October after a personal decision by President Kekkonen and came into force in January. It is too soon to judge its success, especially in view of the unusual and disturbed conditions of the past few months. Much will depend on the capacity of Finnish exporters to compete in unfamiliar markets, particularly on a number of industries without a great export record up to now. But the agreement is potentially one of great value to Finland, opening new opportunities and keeping it in touch with the mainstream of European economic development. Like Finland's other openings to the West, this has had to be balanced by overtures to the East. Finland has signed a cooperation agreement with Comecon and has developed bilateral arrangements with several East European countries.

It is composed of members from the Social

A victim of its own geography

by Henry Stanhope
Defence Correspondent

Every country is to some extent a victim of its own geography, but none quite so much as Finland. It is the second most northerly country in the world, with an area rather larger than that of the United Kingdom and a population of fewer than five million. And it has next door to the Soviet Union. To the other western democracies the power of the Soviet Union is a threat to be deterred and, if necessary, resisted. To the Finns it is a way of life.

Finland has learnt to live with her cold climate and unique topographical features. Indeed, the arctic conditions in the north of the country and the jigsaw of forests and lakes which fill the eastern and central regions proved an invaluable screen during the Winter War of 1939-40, when her tiny forces heroically resisted the Russian bear. Since the war, and the 1947 Treaty of Paris which exacted reparations and placed limitations on the size of her forces, she has learnt to live with the Soviet Union too.

The war proved conclusively to the Finns that however brave and skilful their troops and however difficult might be the natural obstacles in the way of a foreign invader, they could never hope to bring the overwhelming superiority of the Soviet armed forces. Finland has therefore accepted the position, sketched out by the 1948 Treaty of Friendship, Cooperation and Mutual Assistance with the Soviet Union, of benevolent neutrality. Its independence has been total—but it has been achieved only at the price of promising to remain friendly to the Soviet Union and never to allow her territory to be used as a base for anti-Soviet operations.

The Paris treaty limited the maximum size of the Finnish army to 34,400 and decreed that the navy should not exceed 10,000 tons and 4,500 men or the air force 60 combat aircraft and 3,000 men. Nuclear weapons, guided missiles, submarines and bomber aircraft were also among items of equipment prohibited by the treaty. Nor should military training be conducted outside the official armed forces.

Finland has shown no desire to transgress these limits. Her share of gross national product devoted to defence has recently remained at about 1.5 per cent, slightly lower than that of Switzerland—a limitation which probably has as much to do with economic arguments as any treaty guarantees. The allies who drew up the terms of the Paris treaty have likewise been

already benefiting indirectly from the Norwegian oil boom in the construction of oil platforms and other equipment, but does not as yet receive any oil from Norway.

At such a time Finland is naturally keen to preserve political stability at home and enhance its neutral status abroad. It was to avoid the divisive effects of a presidential election this year that at the beginning of 1973 President Kekkonen had his term of office extended by vote of Parliament. But that decision was taken well before the oil crisis had arisen or could have been foreseen. If there was a justification it was the difficulty over ratification of the trade agreement named the Helsinki Settlement.

But this by-passing of the normal popular election for the office of greatest power as well as honour in Finland was, in fact, criticized by many at home and abroad. Another, but encouraging, example of the urge to stability has been the continuation in office of the present coalition Government for more than two years.

That would symbolize the position that the Finns have tried to cut out for themselves in the postwar world: the small country that dare not be the arbiter but can aspire to be a bridge between East and West. It is not an ambition that is easily achieved, particularly for a country that is an conscious of an overmighty neighbour, but the Finns are a tenacious people.

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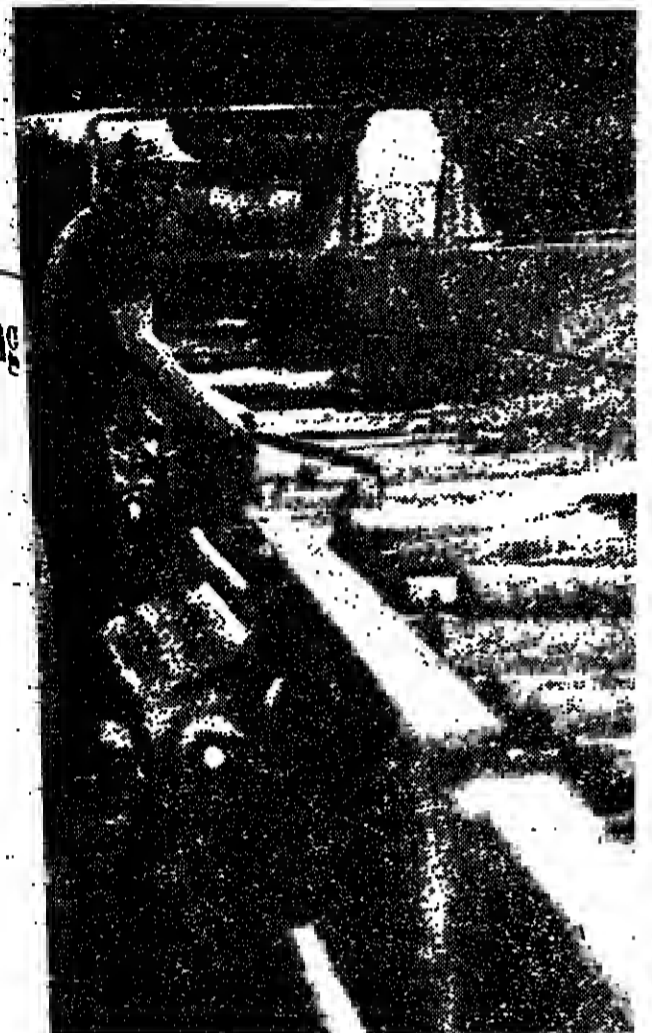
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Cost pressures hit the press

continued from facing page

sell to five million Finns a total of 320 million magazines a year. Modern marketing techniques have in many cases overtaken journalism and the huge cost of marketing has eaten away profits.

The lowering of standards towards sex and sensationalism has been the other weapon in this potentially profitable market. However, this has partly backfired, as the Government plans to introduce new legislation this autumn aimed at improving the protection of individuals against unscrupulous magazines. The coming new legislation, together with stiffer penalties based on existing laws, has already tamed many magazines; some semi-pornographic publications have disappeared.

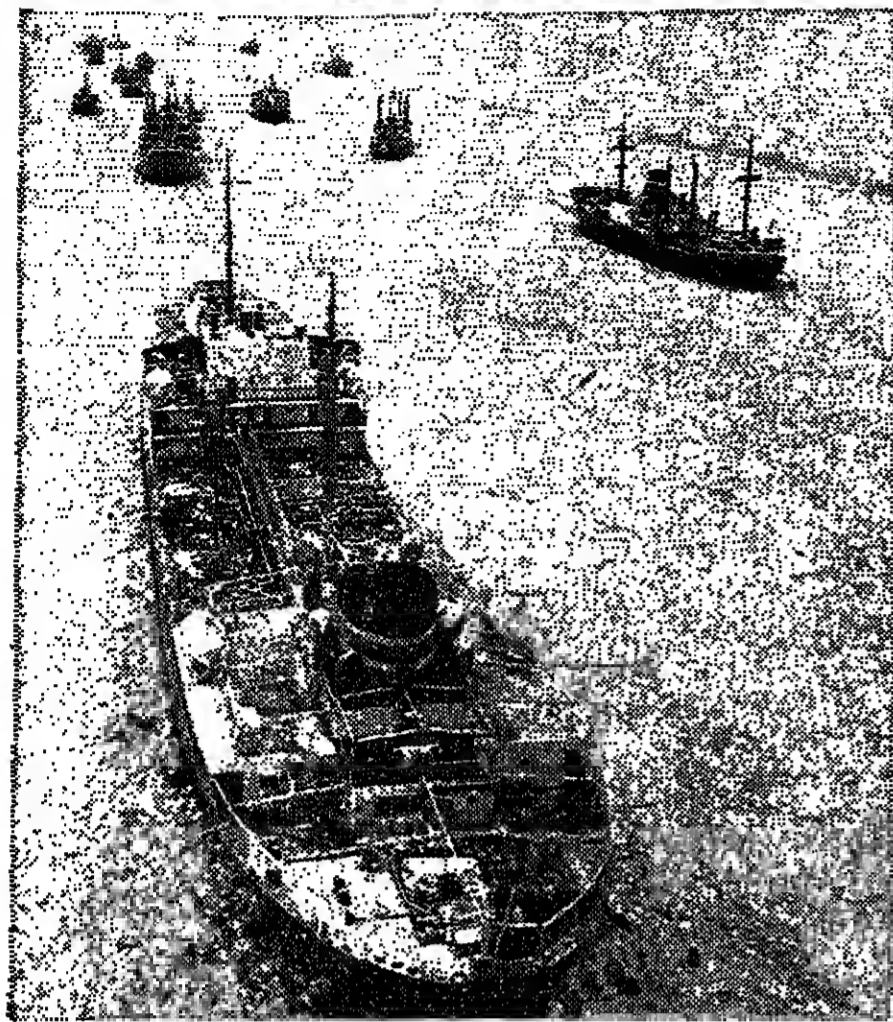
The pressure of increased costs is about the same as in newspapers. Mr Pekka

Kautto, the managing director of the Magazine Publishers Association, says. Magazines get 75 per cent of their revenue from subscription and 25 per cent from advertising, the converse of the situation in the daily press. Magazines would need an increase of 30 per cent in the subscription fees to reach the level of January's profitability.

No important changes have occurred in the overall circulation figures, Mr Kautto says. Publishers have negotiated in order to control the cost of marketing, but no firm decisions have yet been taken. Some publishers still continue, for instance, the costly practice of giving next year's advance subscribers the remaining issues of the current year free of charge.

Although about half of the daily papers are in some way affiliated to political parties, almost all magazines have decided to remain independent. The trend in newspapers is towards independence in the sense that the non-party papers are in newspapers. Mr Pekka

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A man may one day eat what might have been his words

by Michael Frenchman

There cannot be two more old-fashioned industries than newspaper printing and daily newspaper printing. Admittedly both have made great strides in the past decade to get modernized but the basic principles have remained the same.

In print they still rely on lumps of lead to impress the ink on newspaper that is made with sticks, stones and water. Of course there is now computerization, gravure printing, film-setting and all the trappings of scientific advancement. In newsprint they play around with heavier, sharper stones to break up the wooden fibres to help to make the paper thinner and thus go further.

This page started life as a tree somewhere in Finland 50 to 70 years ago. Last summer it was chopped down, stripped of its branches, cut into short lengths and floated down river to Lake Päijänne, where it ended up at the United Paper Mills Kaipola newsprint factory near Jämsä.

This is one of the largest plants in Europe producing more than 400,000 tons of newsprint a year, of which The Times takes about 2,200 tons a month.

The trees that floated down the river are mixed with logs which have come by train from Russia. They are then fed into a giant revolving drum like an enormous potato peeling machine which strips off the bark. The bark goes into a separate drum with other stone mill wheels inside which reduces them to a liquid mass of fibres.

From then on the fibres are repeatedly screened, strained and washed. A small quantity of chemically produced pulp is added to the mixture to give it strength. The pulp is finally squeezed evenly and thinly on to a high-speed revolving endless fibre mesh belt. This passes over heated rollers drying the pulp into a web of paper. The web is then rolled and squeezed into the final hand of paper which is wound in reels and cut to the required width.

The ways of making paper are traditional and well tried. But all the time improvements are sought—increased fibre length and strength. The latest development is to make the paper thinner without losing reproduction quality and strength. The idea is to use the same amount of pulp to make more and thinner paper.

The standard weight of newsprint is 48.8 gm per sq metre. For some time experiments have proved that it can be made as thin as 45 gm (the weight of these pages you are now reading). According to Per Erik Ohls, mill manager at Kaipola, it should be feasible eventually to reduce the weight of the paper to 40 gm.

But we must have the cooperation of the ink and newspaper press manufacturers. It is no good us developing thinner papers unless compatible inks are used, otherwise there will be a substantial loss of quality", Mr Ohls says. United Paper Mills has established a world lead in lightweight papers for the newspaper industry.

The mills have also developed another novel technique—producing single-cell protein from wood. Trials have now produced a kind of biscuit which Mr Jari Köhler, Finnapp's representative in London, says is not altogether unpalatable. United Paper Mills has just completed a new plant which is about to go into full-scale production, mainly for animal feed. But who knows, perhaps we shall one day eat with newspapers that we can eat which would help solve the recycling of waste paper problem.

Last year Finland produced 6,600,000 tonnes of pulp of which Britain is the major customer took 372,000 tonnes. Britain was also by far the biggest importer of all paper products—766,000 tonnes—out of a total of 3,800,000 tonnes.

Forest industry products accounted for 51.4 per cent of all Finnish exports in 1973, nearly 25 per cent more than the previous year. Apart from paper, pulp, and board, the other main items are sawn woods and mechanically processed timber products. Exports of these products

totalled \$605m in 1973—15.7 per cent more than in 1972. Britain again headed the list of importers with \$150m from the Netherlands with \$54m. Britain's share of other wood products was \$109m, with West Germany next with \$25m.

According to Mr Aarne Castrén, director of the Central Association of Finnish Forest Industries, the total volume of the industry more than 100 per cent during the past 13 years. Some sectors, such as paper and board products, have more than doubled.

The industry depends for its survival on maintaining a close balance between the demand for raw material and the amount of forest that can be cut for processing, whether for sawn woods or pulp. A newspaper like The Times consumes the equivalent of something like 200 acres of forest a day in the form of paper pulp; this does not mean cutting every tree, only the mature ones.

During the first half of the 1960s there was considerable overcutting but this is now lessening because of improved methods of harvesting and processing. In 1960 the forest industries consumed 34 million cu metres of wood. This rose to 51 million cu metres last year. In the 1960s the Government announced the MERA reforestation plan which has been revised several times. Unfortunately this got off to a slow start and it had been hoped that replanting would have provided another seven million cu metres of wood during the 1980s. Under the latest revised plan, MERA III, a \$20m loan has been received from the World Bank to speed up replanting. It is hoped to keep the expansion of the forest industries in line with the limits of the forest yields.

There is a feeling in some circles that Finland has now reached a very critical point in the development of the forest industries. Although still affected by the economic scene abroad—many leading mechanical wood factories have been badly hit by the fall in Britain's house build-

ing—Finland has become a net importer of raw wood for processing.

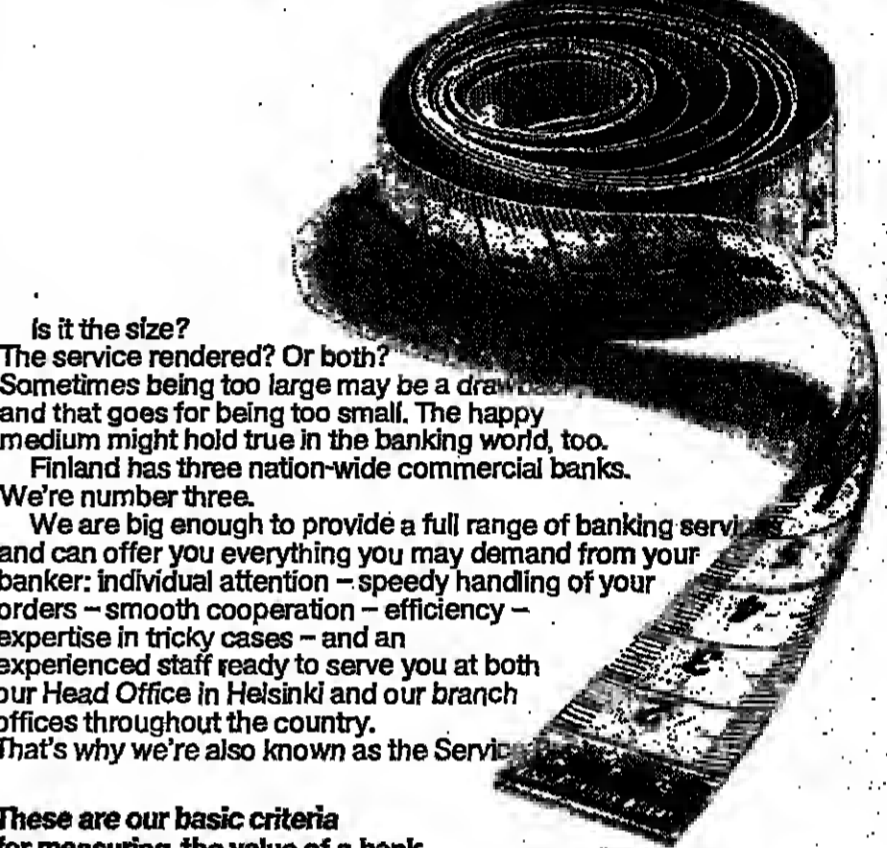
Because of the climate it can take up to 40 years for the trees to mature in some areas and there is a constant danger that demand will outstrip growth. It seems inevitable that this may happen unless a careful watch is kept. Finland could well be one of the countries like Brazil that have big young populations. As they grow older the demand for books and newspapers will

increase dramatically in the next 10 years. Already United Paper Mills has put a toe in the tropical forest with a small subsidiary mill in Brazil.

Other developments on the home front include more efficient logging and the use of all waste from the tree—branches, small twigs and all the bark. Mr Juhani Numminen, forester in the Central Association of Forest Industries, sees the advent of what is described as whole tree harvesting.

Some of these eucalyptus reach maturity in from five to 15 years. Finland has a great opportunity to sell its technological skill overseas, especially in developing countries in the tropics with their huge areas of forests. Some of these countries like Brazil have big young populations. As they grow older the demand for books and newspapers will

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A saving approach to wolves

Many of us tend always to think of Scandinavia and Finland as having a particularly clean environment. But this is often far from the truth. For instance, more than half of Finland's 4,750,000 population lives near polluted waters. Even the Baltic seas are seriously threatened by uncontrolled dumping and spillage of waste matter from ships and untreated effluent from the seaboard countries, particularly those with big conurbations.

For years there has been little effective legislation to protect the environment. The few guidelines and laws that existed were out of date and largely non-effective. The pulp, paper and forest industries generally poured a stream of toxic waste material into the lakes and seas, and also into the atmosphere, almost uncontrolled until the last decade. The metal extracting and treatment industries must also share part of the blame for atmospheric pollution.

In some areas of Finland the mercury content in more than half of the lake fish is over 1 mg per kg—and in one case 5.8 mg per kg. Although mercury compounds are no longer used in the pulp industry, it will be decades before the mercury content of fish in the worst areas falls to a satisfactory level.

These and other revealing facts as reported by the Division for Environmental Protection in the Ministry of the Interior this summer, have come as a shock to many people. The wood processing industries have in recent years attempted to reduce the environmental problem by controlling their effluent and introducing new technologies—not always as costly as might be first seen. The pulp industry in particular has succeeded in recycling the obnoxious black liquors by burning them off and using the resulting energy in the pulp-making plant.

Finland has had no laws to prevent air pollution but a Bill is in preparation which will attempt to curb atmospheric pollution. Air pollution is a major problem, except in some areas where lead smelters are situated. In 1971, according to the Division for Environmental Protection, 400,000 kg of lead were emitted into one locality alone. This was just about half the total amount released in the whole country by motor vehicles.

The most heavily polluted areas of Finland are in the south and south-west where some 10-15 per cent of the 55,000 lakes contain untreated sewage and industrial waste. Most of these areas are near the cities, the worst being around Turku on the west and at Kokkola. Some 1,700 km of coastal waters are also polluted.

Finland adopted anti-pollution measures safeguarding the seas in 1965. Because of the seriousness of marine pollution in the Baltic seas, it took the lead in calling a conference on the protection of marine environment in the Baltic earlier this year. The conference was attended by all the Scandinavian and Baltic countries, including the Soviet Union. As a result, the world's first com-



The lynx of Ahtari is one of the rare creatures which it is sought to protect.

prehensive agreement on marine environmental protection was drawn up and is being ratified by the participants. When completed, a permanent commission will be established in Helsinki.

Aquatic pollution is looked after by the National Water Board, which is also carrying out a large sewerage expansion plan in urban areas during the next 10 years.

With the formation of the Division for the Protection of the Environment last year, conservation in all senses is taking on a new look. There is a more general attitude towards the need to protect one of the most attractive areas of northern Europe. As one industrialist put it: "We do not want to become another Arizona or Osaka."

The desire to conserve also applies to the natural wildlife of the country. According to Mr Lars Blomberg, of the DPE, the 1923 Conservation Act cannot cope with modern demands and is inadequate. However, theoretically many species of birds, mammals and marine life have some form of protection.

The most endangered species are the white-tailed sea eagle of which only 20-30 pairs exist. The rest were killed by mercury and organochloric pollution, as well as destruction of their nesting island sites. Perhaps the most rapid decline among the birds has been the peregrine falcon, which are down to about 10 pairs.

One of the most attractive of all creatures in Finland is the Saima seal which lives in the lake area of the same name in the south, near the Russian frontier. The total number is now about 140. Their plight is again due to severe pollution of the lake caused by the wood-processing industries, but there are signs that the situation may be easing.

When speaking of conservation wolves are a sore topic. According to the authorities in Helsinki, only some 10-15 Nordic grey wolves are said to exist. But

in the north and they tell you that there are a great many more. Although protected by law, having been reduced by shooting in the past, the wolf is still regarded as a predator by the reindeer owners, who will kill them on sight. Last year 1,105 reindeer were killed, most of them by wolves.

In one area, Salla, 10 wolves were shot last winter alone. Many of the wolves come across the long northern frontier with the Soviet Union to a desperate search for food in the depths of winter. One pack of 16 was seen recently near Savukoski in Paltunkanta.

Wolves can be seen in smaller numbers. There are four at Finland's first wildlife park, which opened for its first full season this year at Ahtari in central Finland. This 25 hectare site, which it is planned to extend in the near future, is a reflection of the new attitude towards wildlife which the Finns are adopting. The park is the idea of the local village leader, Mr Väinö Jaakola and his wife, Kyllikki, who wanted to put his village on the map. Although still in its infancy, the park has had 100,000 visitors this year.

M.F.

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Poets, piggy bankers and politicians: a look at six of the personalities setting the pace in the arts, government and industry

A writer who sees literature giving a sense of identity

"I must be the only man in the world who has translated both Homer's *Odyssey* and Joyce's *Ulysses* from the original into his mother tongue." Thus speaks a man who speaks 13 languages and who is the most celebrated poet in the land.



In Finland the fame of Pentti Saarikoski may still be based on his stormy past rather than his literary output. The strongly durable yellow press made him a cult figure. His present wife (the fourth) "literally carried me home from the pub". Now Saarikoski has deserted his bacchanalian haunts for out-of-town peace, his andante-like verse echoing his jaunts in the forest.

With the modesty of genius, Saarikoski prefers to discuss others before turning to himself. He recalls that while he was in Dublin he came across a Japanese professor engaged on a similar project: "He said it would take him 500 years to translate *Ulysses*. Perhaps he is still at it." In translating the *Odyssey*, Saarikoski tried to convert Homer's characters into the Finnish authors enjoy the same

status as colonels, and one—Vainö Linna—is "idolized". "But", Saarikoski says, "a writer can easily become a false god."

He sees contemporary Finnish literature, in a state of transition as the urbanization process approaches its end, as one of the best in Europe.

Saarikoski's own collections, some of which have been set to music, often sell 10,000 copies, with a handsome bonus from public lending right. But unfortunately Finnish vowels, diphthongs and poetic ambivalences bedevil their presentation in translation to a non-Finnish audience.

Now 37, Saarikoski has a prodigious output behind him. His translations occupy yards of shelf space; he has also written 15 collections of poetry and three novels. His former enfant terrible image was partly sustained by his communism, which he now derides. "Fifteen years ago poets were hermetic. In seeking a new line, I made it fashionable to be a left-winger. Fortunately, I just failed to get into Parliament."

Saarikoski has just completed a study of the Finnish *fin-de-siècle* bohemian Eino Leino. He emphasizes that literature has helped to give Finns their sense of identity. Aleksis Kivi, immortalizer of peasant culture, was a "star of world literature". Today, Finnish authors enjoy the same

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A lumberjack who fights for the workers' cause

When in late August, it was confirmed that Niilo Hämmäläinen was forsaking his chairmanship of the Central Organization of Finnish Trade Unions (SAK) for a consumers' cooperative (KK), political commentators, seeing only the tip of an iceberg, decided he must be pursuing the leadership of the Social Democratic Party, or even the presidency. More detached observers felt that SAK without Niilo Hämmäläinen would be like Labour without say, James Callaghan.



Until he finally quits his present post Hämmäläinen will continue to personify trade unionism in Finland. Niilo Hämmäläinen, open, generous, and a devoted family man, has the look of a canny Scot—just right for hard bargaining. He was born at Viltasari in the beautiful heart of Finland, still his summer retreat. At the age of 12 he entered the blind alley of forest work.

After the deaths of his father (killed in war action), grandson and step-mother, Niilo was left in charge of the family—an invaluable experience. After war service he turned to trade unionism, steering through the forest workers' first pay agreement in 1961.

In his eight years as chairman of the mainly blue-collar SAK, membership has almost quadrupled to nearly 900,000, embracing 85 per cent of workers in relevant sectors. Hämmäläinen was instrumental in beating a split in the movement caused by a Social Democratic rift, outside it.

It is appropriate that the head of Finnish trade unionism should be a lumberjack. The parallel with the British coalminer is clear: the lumberjacks were the foundation of Finland's wealth, their heritage is harsh. There is no trace of bitterness in Hämmäläinen:

"What's the use of bitterness? Even in the bad old days I thought times must change."

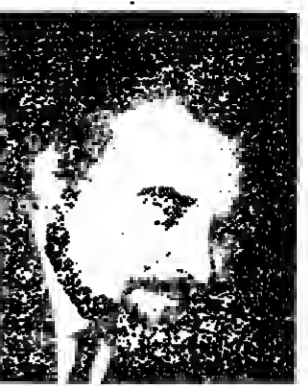
In his formative years practical issues were more vital than ideological concerns, though social democracy was Hämmäläinen's obvious political option. Today he is critical of the Social Democratic Party's remoteness from its grassroots. In contrast with the contact between trade union leaders and their rank and file.

The Communists, deeply split, subject Hämmäläinen to various forms of criticism. But within SAK they and the majority Social Democrats are still prepared to make compromises in the name of unity. Hämmäläinen is confident that the collective agreements negotiated under him will go down in history as major advances in the workers' cause.

Does Hämmäläinen aim for the Social Democratic chairmanship? "There is no truth in such rumours. What if he were asked: 'Then I'd have to consider it.' And the presidency? 'No! What fun would there be in carrying such a responsibility?'"

A sculptor who tries to bring art within everyone's reach

Every adult Finn, except perhaps for the impecunious, makes daily contact with the work of Heikki Häivöjä. As designer of the "silver mark", the rarer five-mark piece and several commemorative coins, Heikki Häivöjä is delighted that the public enjoy his talent for "art with the longest range application".



Mr Häivöjä, who is a top sculptor, and his wife Paula, a leading jewelry designer, form a balanced artistic combination. Both from humble homes, they want their creations to be within everyone's reach and means. "Art should enrich one's surroundings," declares Heikki. "Without decoration, all suburbs would look exactly alike. Use artistic embellishment, and you rediscover your sense of place." And Paula adds: "Jewelry should not be flaunting one's wealth. It should be an expression of one's emotional life, at a price all can afford."

Unaffected by the recent battle between "elitist" and "popular" art, the Häivöjä's work is motivated neither by some patrons' desires for conspicuous spending nor by unprofessional crudities excused on the ground that they epitomize folk tradition. It is unassuming and tasteful.

Not that Heikki has succumbed to all artistic squabbles. He was chairman of the sculptors' association when they had one almighty row over a statue in Pääskivi: "It would have been an insult to the late President if we hadn't had a fight!" As a sculptor, Heikki perhaps feels a sense of achievement that is more manual than mental. Now design is a more previously well-established phenomenon seen merely epicurean and the idea of immortality through art has little appeal. "But we should do things which commit us to life, and art is one of them."

With a penchant for symbolizing nature, Heikki employs fir branches on his one-mark piece. The five-mark coin combines an ice-breaker ("moving not fixed, like Finland") and migrant birds "between East and West".

A memorial uses three flames to represent Finland's twentieth-century wars. Civil, Winter and Continuation. Symbolic fields of corn provide appropriate security and prosperity for the forecourt of a bank.

Turning to his wife, Heikki esteems the simplicity and broad sweep of her work. Paula looks upon Finnish strength and baroness as the means to convey the mysticism of jewelry, and is frankly embarrassed by objects over-namned with gemstones. But she has recently gone in for plasticity in silver, her favourite metal, achieving wave effects with bracket combinations. As much an all-rounder as her husband, Paula also designs theatrical costumes and teaches dress design.

But, as opposed to jewelry, you can design jewelry on your own terms, without having to make compromises." D.F.

manager who puts no limits on future development

Undercapacity of British makers of television sets enabled Salora to break into the British market a few years ago, and this year Mr Uko Nordell, managing director of Salora, expects to sell 30,000 sets to Granada.

Fifty thousand sets may not seem very much in Britain, but very much in Salora, where a population of over 20,000 on the main highway between the two big cities in Finland, Helsinki and Turku. Salora is a family name—the name of the inhabitants work hard for Salora—the name from the words Salo and Ora.

Entertainment electronics are a big thing in Finland, which is exporting some 600,000 colour television sets this year. The electronics industry has grown rapidly; in only a few years it emerged from the shadow of the old timber-based and metal industries.

Several leading manufacturing companies have diversified into data processing other forms of advanced

electronics. There have been unofficial reports of a state-owned electronics company being established.

This expansion of electronics is due partly to the fact that Finland's labour costs, especially in the development regions, are still reasonable compared with those of other highly industrialized countries. Shortage of labour already affects many industries, and there are fears of its spreading to electronics.

Salora, however, gives a good example of the industry's growth, according to Mr Nordell, who has been part of this family company all his life. Salora was established in 1928 to manufacture wireless receivers but the real growth started with colour television.

In 1968, when the first television sets were produced, Salora had 500 employees and a turnover of about £2m. Now the television and radio plant has 2,000 workers and the turnover has grown to more than £30m. This year Salora will produce 200,000 colour television sets.

Seventy per cent of them will be exported, Britain and Sweden being the main markets. The company has also become a leading producer of car telephones.

Colour television will be the main product for another 10 years, Mr Nordell says. "We follow all developments in electronics and there are no limits to where modern electronics can go." Salora is, however, also diversifying its activities into, among other things, shipping.

Cooperation between private enterprise and state companies has become fashionable in Finland, and Salora has joined forces with the Government to establish a colour television tube factory. It will be ready in two years and will produce 300,000 tubes a year.

Salora's export of technical knowledge has already borne fruit. A factory producing both black and white and colour sets, built with Salora's assistance, is operating in Israel, and another is being built in Nigeria. Olli Kivinen

A happy man who aims to be a king of the world

Heikki Tavela is a self-made man with all the trappings—a luxurious car, sumptuous summer sauna and cottage by a lake and a big motor yacht. He is an entrepreneur of the old school who has got where he is by sheer hard work and a certain flare for showmanship and marketing.

His ambition? "I want to be the piggy bank king of the world", he mused, sitting naked and sweating in his sauna. "My company has made a million piggy banks—you even have them in England; National Westminster sell them," he said. This year he hopes to produce more than 40 kinds of savings boxes totalling some four million in output. Already they are sold in 20 different countries.

Mr Tavela began his piggy bank monarchy in 1959 after giving up his job in a bank where he looked after external accounts. "I came from a comfortable family; I was not good at my job, and maybe I drank a little." He decided to take over a small plastics factory which had got into financial difficulties. Waiting for a film to start at a cinema one night, he



did some window shopping with his wife and saw a piggy bank.

"I knew I could make that in the plastics factory", he recalled. "Next day I went back to the bank where I had worked to see what they thought of the idea and to get a loan. They had a better idea: 'Why don't you make them for us and we will sell them to our customers?' That's how it all began."

Since then his company, Tresmer Oy, has never looked back and Tavela now has another three companies in the plastics industry and is a director of Mariemäki, Finland's leading fashion textile business. From making piggy banks Tavela has now gone successfully into the plastic cube business with his internationally known Palaset system which is a brightly coloured one-piece moulded cube.

But it is the piggy banks that remain closest to his heart. "Craw cut, poor sighted and slightly podgy, Tavela is a most bappy man. The pleasures in life are sauna, drinky and sexy", he rambled on as the temperature rose in our sauna. "And do you know the origin of piggy banks? The Greeks and the Romans had them but it was not until the Middle Ages in Europe that they really got going. You found them in brotels, yes, brotels. The madam would give the customers a token in exchange for money. When the man went up to the girl's room she'd have a piggy bank by the bed. Business only began when the token was put into the piggy bank."

Michael Frenchman

A Premier who talks of a new mood of cooperation

If the future belongs to pipe-smoking Social Democrats then Mr Kalevi Sorsa, aged 43, is all right. At the moment he is a great unknown in Finnish politics, even though he has been the Prime Minister for just over two years.

Soft-spoken and articulate, Mr Sorsa reached the summit of Finnish politics five years ago when he was elected secretary of the Social Democratic Party, which is now the biggest party in Finland and the main partner in the centre-left coalition.

He is accused of giving too much leeway to the young leftists in his Government, of not doing enough to stop inflation, of being too soft and cultured for the tough game of Finnish politics. His admirers see him as the new star of the Social Democrats and the eventual president.

Next spring Finns will know much more of Mr Sorsa, because the winter will be a hard one for the Government, with prices still rising and the opposition attacking from left and right.

Mr Sorsa admits only that some definite decisions must be taken during the winter. He says, however, that co-

operation in Europe has developed in a positive direction and adds: "I guess this are already known and general politics, too."

Even though pressures are already forming, Mr Sorsa has maintained his optimism, at least in international affairs. The oil crisis, he says, has put the international economic system in a new light. This has not led to a wholly negative result. A new readiness to deal with economic problems in a rational way has developed.

The common factor has been that the similarity of problems in countries with different economic and social systems has been understood. "Is social democracy moving to the left? Well, during the '50s it was predicted that ideologies were dying. During the '60s, however, ideologies saw a renaissance, mainly when the post war age groups moved into political activity. "Even though the period of intense feeling is over in Europe it did reinvigorate social democratic parties and its influence will be felt in time to come."

On cooperation between different social democratic parties Mr Sorsa points out

that it is easy to get along with other democratic socialist because the basic ideas are already known and general politics, too."

According to Mr Sorsa the Finnish Social Democrats want to channel the power of the communists, a third of the total strength of Labour parties in Finland, to constructive cooperation. The internal difficulties among the communists prevent government cooperation in the way it was begun in the '60s.

On the international level, he points out that there are many different attitudes, based on national factors, among the social democrats but it can be said that bilateral contacts with the communists are on the increase. O.K.

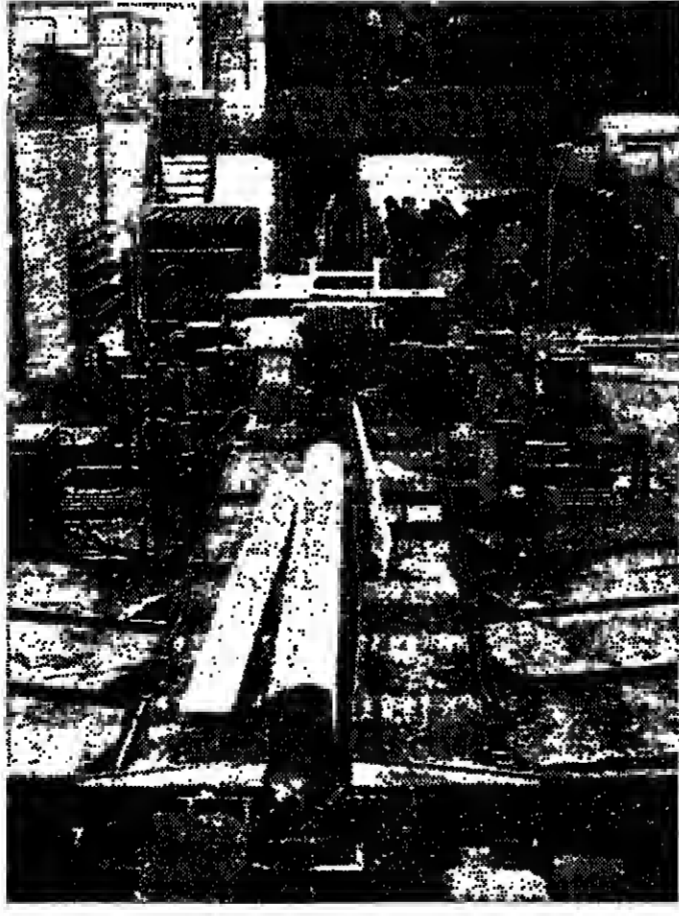
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Extraordinary growth in metal industry

by Michael Frenchman

"The trouble with us" explained the happy, rotund public relations man from Nokia, "is that we are such an ordinary company. I don't know what you will find to write about." He was not really joking and was in a sense very near the truth. Nokia is the country's first and major rubber company. It has diversified into a variety of industries, particularly electronics and cable making.

The Finnish metal industries, which mean everything from shipbuilding to manufacturing colour television sets, have been able to compete in world markets only by specialization. Nokia's claim to fame seems to have been to specialize in being the only ordinary commercial company in the land, and a most successful one at that. Presided over by Mr Björn Westerlund, a small, cheerful and wise-looking chief executive, the company made a profit of 20m marks last year, half of which was from exports. This represented an increase of 25 per cent over the previous year. Nokia is one of the largest groups in the country employing some 12,000 people in eight centres.

This "specialization technique" is one of the reasons for the extraordinary growth of the metal industries. Since 1960 the industry, which accounts for about one tenth of the gross domestic product, has increased

by an average of 14.3 per cent a year in gross value. Its development team is always watching out to apply new technology. It is looking at new means for extracting minerals from the Polar regions and from the deep seas. The company has merged its two yards at Helsinki and Turku into one division, and an extensive modernization programme is under way.

Similarly, Valmet, one of Finland's other major shipbuilders, has just opened a \$40m yard in one of Helsinki's suburbs. It has a semi-automated fabrication shop capable of handling 35,000 tons of steel a year. The new building dock can accept hulls up to 150,000 tons. Valmet builds a wide range of specialist ships from ro-ro ferries to accommodation ships for Russia. These are engineless hulls which are towed on rivers so that construction site workers can live in them.

Valmet employs more than 12,000 and is a diversified company. Apart from its shipbuilding interests, it builds aircraft, paper and pulp-making machinery, railway rolling stock, containers and associated handling equipment, auxiliary engines and tractors. It also has a tractor plant in Brazil.

One of Finland's latest specialization developments is the construction of oil drilling platforms. The firm, building 12 rigs as its new Mantiuoto works in the west coast near Pori. The first rig, newly completed, is a

pentagon 84 and has been bought by France and will be operated in the North Sea by Total. It is the first of a \$300m order that the yard has received. Four other rigs have been bought by British-based companies—Kingsnorth Drilling (two), Atlantic Drilling and Celtic Drilling.

Back to peat for help in the fuel crisis

"VAPO Mustasuo" said the sign pointing down a dirt track off the main road near Ahari in central Finland. VAPO sounded mysteriously like the name of the secret police organization and images of VAPO squads at work came to mind as the car bumped its way towards a small column of smoke rising behind a derelict clamp of trees. As we turned the corner, a vast expanse of wet, soggy, treeless waste stretched before us. This was Mustasuo, the "black swamp" belonging to VAPO, the state fuel and energy centre.

An expression often used about Finland when describing her natural resources is the "green gold"—the trees. Mustasuo is part of her "black gold"—the peat bogs which cover some 10 million hectares, about one-third of the total country-side, to an average depth of just over one metre. The peat bogs are rich in peat, a fuel which has been used in Ireland for centuries; in Finland it is suddenly becoming a new national industry as a result of last autumn's world energy crisis. The Government has recently initiated a detailed study of the country's energy requirements which implies a return to peat bogs to ease the fuel crisis. In calorific terms 10 cu metres of peat is equivalent to one ton of

fuel oil—and costs about a third of the price. Peat farming is looked after by VAPO whose director of the Power Bureau, Mr Urho Hakkarainen, said that this year the harvest had amounted to about 500,000 cu metres, equivalent to 50,000 tons of oil. This was a five times increase over the amount harvested in the previous year.

In 1972 the total energy consumption was equivalent to about 21 million tons of fuel oil of which just over half was in fact oil; peat accounted for less than one quarter per cent. But by 1980 it is hoped to produce some 20 million cu metres of peat, equivalent to about 10 per cent of the total energy requirements. At least, that is what the Government hopes to achieve. But Mr Hakkarainen is not so optimistic and claims that power experts state it will be possible to produce only about five million cu metres by the 1980s. At present 6,000 hectares of peat swamps are available for harvesting but 12 times this area would be needed before peat could be harvested on a serious basis to relieve the fuel shortage.

This quantity represents only about 1 per cent of the total available peat reserves, half of which are in the southern part of the country below a line drawn through Oulo.

On paper the peat plans seem a good idea, but in practice there are many difficulties. The principal one is the actual process of harvesting. Peat bogs are usually not more than two metres deep and average about half this depth. They are almost impossible to introduce substantial mechanization to cut the peat without first draining the bog. A wet summer like the last makes this even more difficult. Also, because of the cold peat can be cut only for about three or four months of the year during the summer.

At Mustasuo it was raining but smoke still rose from a smouldering heap of peat. A dozen or so machines on tracks—some from Russia—looking like small combine harvesters stood bogged down in the wet soggy mass unable to move. The reddish-brown peat swamps stretched to the horizon presenting a picture of utter desolation in the misty rain. The ground had been stripped of every tree and bush. A pile of old roots 50ft high on one side resembled the contents of a charnel house. All looked bleak and lifeless.

Scenes like this have already evoked heart-rending cries from those more enlightened conservationists who fear the destruction of large areas of land—the natural habitat of many rare birds and wild plants.

But VAPO is quick to point out that drainage and harvesting of peat will not go uncontrolled and that land reclamation will follow. VAPO's policy is to acquire the swamps from landowners; this, as in obtaining most mineral rights, can be a lengthy process if there are many owners. Often, however, most of the swamps are owned by local authorities and municipalities of one kind or another.

Preparing for the peat harvest takes time too. First of all the swamps have to be ditched and drained and all trees and shrubs have to be removed and the roots dragged up, a process that takes from three to four years. Because of this, peat is not a short-term answer to the fuel problem but must be seen as a much more distant solution.

According to VAPO estimates, 200 men can produce about one million cu metres of peat a year. If the Government's plans mature, the industry as a whole would employ about 4,000 people directly in addition to those required for administration, research and other ancillary services.

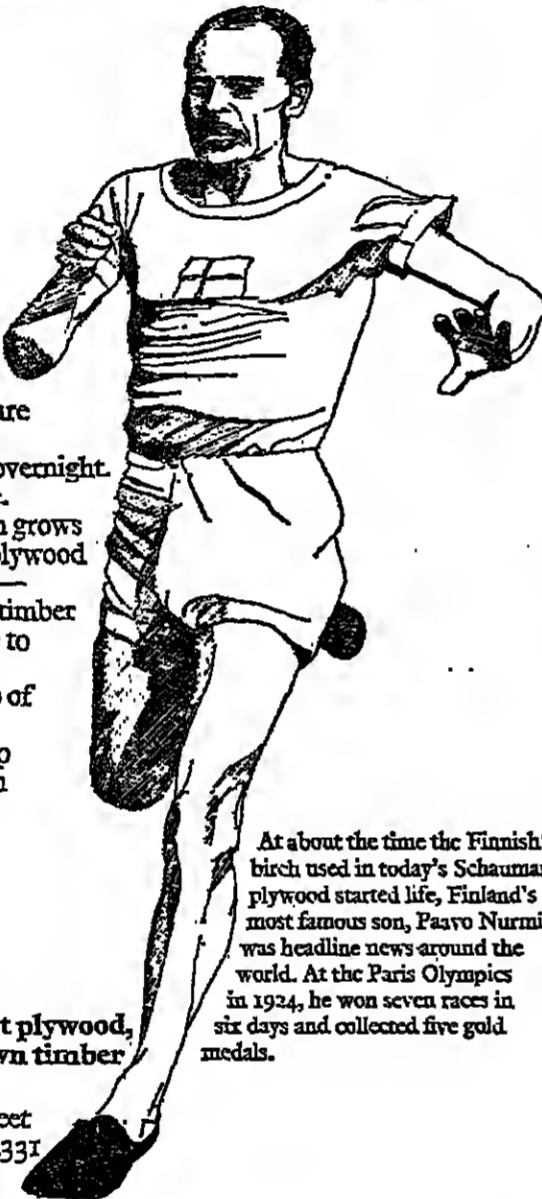
So far not much research has been done into the use of peat resources. Such quantities as are produced are mainly used in district heating plants which supply warmth for public buildings such as those in Kupio. United Paper Mills is also experimenting with a back pressure boiler burning peat for one of its mills.

VAPO has produced the following breakdown for peat usage assuming a production of 19 million cu metres.

District heating plants
District industries
Heating centres (not centrally heated)
Peat bogs
Peat beries
Should the government target be reached by 1982, peat would account for the equivalent of about two million tons of oil, a significant contribution to the country's overall energy demands.

We were just getting off the ground when Nurmi was flying

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Conventional ship construction

Apart from the rigs, the group is very active in conventional ship construction with many vessels on order for Russia. In the past 10 years the Finnish shipbuilding industry has produced about 500 vessels totalling nearly two million tons and the country is now about fifteenth in the world shipbuilding league. Some 20,000 people are employed directly in shipbuilding with the same number in support industries.

In addition to building ships, Finland has a fairly diversified merchant fleet. Enso-Gutzeit, which has been finding it hard going since devaluation of sterling and depreciation of the dollar, has some 35 vessels, 21 of which sail under the Finnish flag. The latest ship on order from Wärtsilä is a revolutionary type of car ferry.

Mr Olavi Mattila, who is chairman of Enso-Gutzeit and Valmet, speaks proudly of the new ferry which will be called Finnjet. This gas-turbine ferry will carry 1,500 passengers and 220 cars and 30 trucks at more than 30 knots, making it the fastest ferry boat in the world. It is planned to use it between Helsinki and Travemünde, and it will cut the journey time by half. The only thing that Mr Mattila finds slightly worrying in these inflationary days is that it is being built on a fixed-price contract of \$50m-\$60m. It should be going into service in two to three years' time.

Front-line athletes lead the war against being forgotten

by Olli Kivinen

What is the world event in this age of newspaper shortage that merits a total of 25 full pages in eight days in Finland's leading daily paper? Elections? No. Wars? No. But European Championships in athletics—yes.

A soccer international gathers to the Helsinki Olympic Stadium a maximum of 10,000 spectators, but 50,000 is an easy target when Finland meets with Sweden in an athletics international. The event is always sold out.

As a result it is clear that athletes are instant heroes if they do well. A foreigner cannot perhaps understand what the feelings were in Finland when Lasse Viren won both 5,000 and 10,000 metres in the Munich Olympics. For a small and totally sports crazy country, victories like this are more than mere successes in the sports arena; they are more like important victories in the war against smallness and against being forgotten.

Foreign, and especially British, athletes always envy their Finnish counterparts because of the position any successful athlete is able to reach. Bobby Charlton may be a nationally known figure, but in a big country like Britain it is well nigh impossible for a sportsman to be as widely known and respected as a Viren can be in small Finland.

For Viren, who brought to Finland a breath of the old days when Finns used to win all long-distance events in Olympics, success brought a speedy rise from village policeman towards a

business career, a modern detached house and other material benefits. This is nothing unusual in Finland: all sportsmen, especially athletes and cross-country skiers, have always been held in high esteem. The example was set by the immortal Paavo Nurmi who became a wealthy businessman.

Those who are not so lucky can get a scholarship from a trust fund headed by the President to complete their studies, which they rich and poor, keeping fit has suddenly become a national obsession. Finns have never been urbanized in the same way as people of Europe, and physical fitness has always been popular; yet jogging has become a mass recreation only during the past few years.

This has happened partly as the result of intense propaganda, aimed at getting Finns away from their cars and other fruits of affluence. Jogging is especially popular in the cities and among middle-aged men.

Being keen on outdoor life and sports does not, unfortunately, mean that Finns are particularly healthy people. On the contrary, various coronary diseases are more common in certain parts of Finland, especially north Karelia, than in any other part of the world. This has led to an international investigation, under the auspices of the World Health Organization to discover the reason for the numerous coronary diseases in north Karelia, where hard outdoor work, smoking and a heavy diet all contribute to excessive illness.

This is an additional source of enthusiasm for Finnish athletics fans. They see "our boys" beating professionals from other countries and are convinced with the unfairness and surmounting of the devoted fan that amateurs exist only in the small Scandinavian countries and Britain.

When a month ago in the Rome Championships Finnish athletes won as many gold medals as any country outside the state-run sports apparatus of East Europe, Finns sighed in relief of success in Munich was not a

temporary phenomenon but a sign of Finland's resurgence in force. No Finn seemed to remain cool and even the most ardent opponents of idolization of competitive sports were drawn into national self-congratulation.

The past few years have also changed thousands of Finns from passive onlookers to active participants on a scale never seen before. To the astonishment of foreigners, forest paths and parks seem to be crowded with joggers. For old and young, fat and thin, rich and poor, keeping fit has suddenly become a national obsession. Finns have never been urbanized in the same way as people of Europe, and physical fitness has always been popular; yet jogging has become a mass recreation only during the past few years.

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The Group's share of the entire output of Kymmene is 20%. The Company operates four metal factories, which are located in different parts of Finland. Högfors Foundry is among the biggest of its branch in the whole of Scandinavia. Production is chiefly concentrated on boilers, industrial castings and sanitary installations. The products are marketed in Finland and abroad under the traditional name of Högfors, which has been in use for 150 years. The expanding exports consist of radiators, heating substations, valves and gear boxes. Metal products are marketed in Great Britain by Kymmene Engineering (UK) Limited in Blackburn, a sales company.

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This rapidly expanding Division makes chlorine, caustic soda, various industrial gases and petro-chemical products. The main export item is at present phthalic anhydride for use in the paint and plastics industry. Kymmene means high quality, not only in paper products, but also in three other industrial branches. For further particulars, please contact our sales companies or our Head Office in Kuusankoski, Finland, telex 52211 kymco sf.



Kymmene Aktiebolag

Tourist emphasis is on building domestic side and attracting other Scandinavians

There is only one way to go to Finland and that is by water. The sea and the lakes, all 55,000 of them, are as much part of the way of life as the earth is to other people; the more so in many cases.

Coming by boat visitors are carried graciously through islands sprinkled with summer saunas and cottages, past blinking red and white striped lighthouses and a granite fort into Helsinki's bustling harbour.

My ship was one of the Finavia's latest ferries, the Finnifellow, a lofty shoe-box, looking a little lopsided with its funnel on one side. We had left Helsinki on a Friday afternoon and were docking to have lunch the following Monday.

The 5,300-ton ferry, built by Wärtsilä, was designed entirely for container traffic. When completed, the owners decided that the cabins and decks were too luxurious for ferry drivers. Instead, they tried to provide some 40 berths for fare-paying passengers. The lowest return fare is slightly more than £25 and it costs another £25 to take a car both ways. It is not surprising that the most value for money as far as passengers are concerned.

Finavia is a consortium created by three companies: the Finnish, the Swedish and the Danish. Its new passenger port will be opened at Purfleet.

The 18-knot Finnifellow and its sister ships have done much to improve communications between the two countries as far as exports are concerned and probably operate the only fixed time sailing for cargo on that or any other North Sea route. For passengers there are a number of other regular ferries operating. In 1973 about 28 per cent of the 203,000 visitors from outside the Nordic countries came by sea.

Figures for the tourist industry are difficult to establish. Mr Bengt Philström, the director of the Finnish Board in Helsinki, says. This is because there is no check on the Nordic residents who travel freely between Norway, Sweden, Denmark and Finland without the need for passports.

In 1972 it was estimated that a total of 4,600,000 tourists went to Finland. Because of the universal energy crisis which has hit the industry, the figures are likely to be about the same for this year. In 1973 total earnings from tourism amounted to about 1,100m markkas, giving a favourable surplus of 300m markkas.

Mr Philström says that the tourist industry ranked fifth in terms of foreign earnings. "It should never be higher, and will not be," he replies firmly when asked about expansion plans. But this does not mean that the industry is entirely stagnating, because the number of tourists has risen sharply over the past five years.

The main emphasis is on building up a domestic industry, while there are still hopes of attracting other

Scandinavians. Because of their high cost of living, they find Finland so much cheaper. Local transport by lake steamer, bus or train is economical and efficient. There is a big drive to promote farmhouse holidays where you do your own catering.

Although the official policy may be not to make too much song and dance about the attractions of the country, there is a great deal to offer the tourist, especially those who come by car. The fast ferry services make this an economical proposition in times of high fuel costs. One fairly new chain of holiday village type hotels is Kanasipihhotelli, or Sandpiper Hotels, which is aimed at the touring motorist.

One attractive hotel in the group is at Särjäjärvi in the middle of Finland. Here, a small central catering block, with some rooms, services a collection of wooden bungalows which merge into the trees beside a large lake. The rooms are most comfortable and in some cases extremely large with an all-wood interior finish of unusual style.

As anyone who goes to Finland soon realizes, most of us suffer from a keep-fit syndrome which seems to be carried to extremes. A three kilometre-long jogging track, electrically lit for the dark winters, winds past the cabins and through the trees at Särjäjärvi. There are

beated swimming pools, exercise rooms and saunas. This particular hotel chain also has its eye on the conference market and has facilities for small meetings and business seminars. Because of the isolation of some of the hotels, there is a good opportunity for the "business type of captive audience", one hotelier said.

Apart from the traditional tourist spots in the south, there is a more dynamic approach to tourism which has not been without its problems vis-à-vis the relationship with the reindeer farmers.

Mr Keijo Rääkkönen, the tourist director in Rovaniemi, which is on the Arctic Circle, said that about one million people a year go to the city on their way through to Lapland which covers a third or so of the whole country. Because of unemployment in the city, its population has dwindled to 25,000 as a result of migration to the south.

But Rovaniemi has adopted a "help-ourselves" attitude to keep Father Christmas's home town on the map by establishing new local industries and businesses related to tourist-making. Lapp souvenirs, textiles, and one of the largest motorized sledge factories in the world. Rovaniemi is a grim riverside frontier town, made even less attractive by teeming autumn rain. "Bad for tourism, but very good for the reindeer," said Mr Veikko Huru-Hiltunen, of the Association

of Reindeer Breeders. "because it makes the lichen grow for their feed". The fells of Lapland are some of the most beautiful areas in the world for hiking, with lakes and fast-flowing rivers and the 200,000 reindeer which are reared in the region. Last year the herds provided 1,500,000 kilograms of meat of which about one fifth was exported, so the Lapps and their reindeer are more than a gaily coloured rustic scene for the tourist camera. This is one reason for discontent in some areas where the reindeer owners complain that tourists come trampling over the lichen and thus deprive the reindeer of their food.

Furthermore, many consider they do not get enough direct benefit from the tourist revenue which comes into the area. But the reindeer industry is by no means complacent as might be the case with certain tourist attitudes in the far south. In a way this may not be a bad thing.

The Finns are among the most hospitable people in Europe. Woe betide the day they have to install coin-operated saunas and sell machine-made reindeerburgers to help fight inflation and increase tourist earnings.

Further information about ways and means of getting to Finland and holidays there can be obtained from Mr Kari Jokilehto, Finnish Tourist Board, Finland House, 56 Haymarket, London SW1.



The herds of 200,000 reindeer reared in Lapland last year provided 1,500,000 kilograms of meat, of which about a fifth was exported.

Design is a buoyant export

Donald Fields whatever became of Finnish design? A decade ago, in Helsinki to Houston, the term had become synonymous with a delicate money between mau and ure, a quality that left its gasping. Prices had risen in Italy, questions ed in the House of ds. "Design" displaced mittelu from spoken ish, while the Anglo- n world learnt how to ounce the multisyllabic ames of Finnish design.

fewer tasks can be performed in solitude without the specialist help of engineers and technicians. Opinion on the continuing validity of Finnish design proves elusive: artists and businessmen differ. Mr Olaf Gummerus, managing director of the Finnish Society of Crafts and Design, understandably feels that, after arranging 300 exhibitions throughout the world, the society deserves credit for launching Finland's designers.

Frankly admitting that the application of the tag "Finnish design" to Finnish goods is an asset, that the design industries are still riding a long-lasting crest of a wave, Mr Gummerus emphasizes the continuing value of the designer's personal touch in creating a spin-off for other, more mundane Finnish products.

Few Finns mince words less than Mr Kaj Franck, Arabia's chief designer: "Business has raped Finnish design. Cotton textiles, for instance, have renounced their pioneering spirit with results everyone can see. The speedier turnover of models has undermined the designer's motivation, with a corresponding loss of dynamism. Our artistic freedom has declined as we have been sucked into an advertising apparatus geared to a farcical personality cult that elevates the designer above the team in which he works, putting too much responsibility on him, giving too little credit to his colleagues. Publicity could be harnessed to assist our abundant young talents".

Like their predecessors, the young generally pass through the Helsinki Institute of Industrial Arts, where recent events have offered cold comfort for the business. Quickstep off the mark in Finland on the road to "high school democracy", the institute instigates such socially oriented group work as planning new buses, improving hospital beds, making clothes for mentally handicapped children, designing saunas for Lapps, and devising Christmas cards for the United Nations International Children's Emergency Fund. The thinking is that design is better used to prevent industrial accidents than to perfect electric toothbrushes.

The design industry could but does not claim a social mission for itself through bringing employment to the development areas—77 per cent of Finland's territory—with a manpower surplus welcome in labour-intensive work.

One visible result of the back-to-the-land movement is a reversion to visual tradition akin to the recent folk music revival. Kaj Franck strikes a warning note: "We tend to overdo things. We did it at the turn of the century with the National Romantic, and again with the declaration of independence. Now we're doing it with design".

Such a tendency clearly conflicts with the view that design is evolving internationally, the quality of an object being more important than where it originated.

Nevertheless, "Finnish design" looks as buoyant an export item as ever. Exactly how it is faring is hard to say, for the customs have no means of keeping check—especially when people start trading in bats under a design label.

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